

TERMS OF REFERENCE FOR THE HUMAN RESOURCES COMMITTEE

I. DEFINITIONS

In these Terms of Reference:

“Board” means the board of directors of the Company;

“CEO” means the Chief Executive Officer;

“Company” or “Primero Mining” means Primero Mining Corp.;

“Directors” means directors of the Company;

“EC” means the Executive Chairman of the Company;

“non-CEO Officer” means (i) a chair or vice-chair of the Board, a chief operating officer, chief financial officer, president, vice president, secretary, assistant secretary, treasurer, assistant treasurer and general manager; (ii) an individual who is designated as an officer under a bylaw or similar authority of Primero Mining; and (iii) an individual who performs functions similar to those normally performed by an individual referred to in (i) or (ii) above;

“Primero Management” means Primero Officers and senior management, collectively;

“Primero Officers” means the CEO and non-CEO Officers, collectively; and

“senior management” means members of management who are not Primero Officers.

II. PURPOSE

The Human Resources Committee (the “Committee”) is established by the Board Primero Mining to assist the Board in establishing a plan of continuity for Primero Management and in fulfilling the Board’s responsibilities relating to human resources and compensation issues for Primero Officers and Directors. The Committee ensures the Company has an executive compensation plan that is both motivational and competitive so that it will attract, hold and inspire performance of Primero Management of a quality and nature that will enhance the sustainable profitability and growth of the Company.

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III. COMPOSITION AND OPERATIONS

- A.** The Committee shall be composed of not fewer than three directors and not more than five directors, all of whom shall be independent directors¹.
- B.** The Committee shall meet at least two times per year.
- C.** The Committee shall operate under the guidelines applicable to all Board committees, which are located in Tab A-8, Board Guidelines.

IV. DUTIES AND RESPONSIBILITIES

- A.** The Committee shall review and recommend the compensation philosophy and guidelines for the Company. This shall include:
 - i) reviewing the compensation philosophy and guidelines for Primero Officers and Directors, for recommendation to the Board for its consideration and approval; and
 - ii) reviewing compensation policies and guidelines relating to all employees, including annual salary and incentive policies and programs, and material new benefit programs, or material changes to existing benefit programs.
- B.** Evaluation and Compensation
The Committee shall:
 - i) periodically review the terms of reference for the CEO and EC and recommend any changes to the Board for approval;
 - ii) review corporate goals and objectives relevant to CEO and EC and recommend them to the Board for approval;
 - iii) lead the annual CEO and EC review/evaluation process and report the results of the process to the Board;
 - iv) based on the results of this evaluation, recommend CEO and EC compensation to the Board for approval; and

¹ See Tab A-6, Board Guidelines for the definition of an independent director.

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- v) review, and if appropriate recommend for approval to the Board, any agreements between the Company and the CEO or EC, including those addressing retirement, termination of employment or other special circumstances, as appropriate.
- C.** The Committee shall, in consultation with the CEO, review the CEO's assessment of non-CEO Officers and fix the compensation of each non-CEO Officer for recommendation to the Board for approval.
- D.** The Committee shall (in consultation with the CEO where appropriate for matters involving non-CEO Officers, and in consultation with the Nominating and Governance Committee where appropriate for matters involving Directors) review and make recommendations to the Board for its approval:
- i) all matters concerning incentive awards, perquisites and other remuneration matters with respect to Primero Officers and Directors;
 - ii) benefit plans applicable to Primero Officers and Directors including levels and types of benefits;
 - iii) any stock option plan, deferred share unit plan or other similar equity-based plan; and
 - iv) review and if appropriate recommend for approval to the Board, any agreements between the Company and Primero Officers, including those addressing retirement, termination of employment or other special circumstances, as appropriate.
- E.** In consultation with the CEO, review the appointment or discharge of non-CEO Officers.
- F.** Following the approval of and establishment by the Board of any stock option plan, deferred share unit plan or other similar plans to be available to Primero Officers and Directors and within any guidelines established by the Board, the Committee shall:
- i) in conjunction with management, administer the stock option plan, the deferred share unit plan and such other similar plans as determined and established by the Board to be granted to Primero Officers and Directors;
 - ii) review management's recommendations for and, subject to confirmation by the Board, recommend approval to the Board for the

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granting of stock options, deferred share units or other securities to Primero Officers, Directors and other key employees of the Company and its subsidiaries; and

- iii) suggest and review any amendments that the Committee considers necessary to stock option plans, deferred share unit plans or similar plans and make recommendations to the Board with respect to those amendments; provided however, that all amendments to such plans shall be subject to the consideration and approval of the Board.

- G.** The Committee shall review and recommend for approval any agreements providing for the payment of benefits following a change of control of the Company or severance of Primero Officers following a termination of employment.
- H.** The Committee shall recommend to the Board for approval, any share ownership guidelines applicable to Primero Officers and Directors and review the shareholdings of Primero Officers and Directors relative to the share ownership guidelines established by the Board from time-to-time.
- I.** The Committee shall annually review the Company's succession plans for Primero Management. The Committee shall monitor the progress and development of executives in accordance with the succession plans and annually review the adequacy of the succession candidates to foster timely and effective executive continuity. The Committee shall report on these matters to the Board at least once a year.
- J.** The Committee shall review the benefits provided by any pension plans for Primero Management, Directors and employees to ensure that the pension plan is competitive and meets the needs of the Company.
- K.** The Committee shall periodically review the Company's management organization structure and the CEO's proposals for changes to that structure and report any significant organizational changes, along with the Committee's recommendations, to the Board.
- L.** Under the authority of the Board, the Committee shall, with respect to boards of directors of unrelated corporations which operate for profit and which compensate members of their Boards and/or significant commitments with respect to non-profit organizations:

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- i) review a limit on the number of such Boards on which individual members of Primero Management may participate;
- ii) receive notice of proposed membership by a member of Primero Management and, upon consultation with the CEO, have a right to object to such membership; and
- iii) confirm in writing, through the CEO, to such member of Primero Management that the Company shall not indemnify the employee nor be exposed to liability with respect to the employee's participation on such Board.

M. The Committee shall annually review management's assessment of compliance with laws, regulations, and disclosure requirements as they relate to the responsibilities outlined in these terms of reference.

N. Ensure the production of a report on executive compensation for publication in public disclosure documents, and review this report with the Board and recommend to the Board for approval.

O. The Committee shall also have such other powers and duties as delegated to it by the Board.

V. ACCOUNTABILITY

A. The Committee Chair has the responsibility to make periodic reports to the Board, as requested, on governance and human resource matters relative to the Company.

B. The Committee shall report its discussions to the Board by maintaining minutes of its meetings and providing an oral report at the next Board meeting.

C. The Board will conduct an annual performance evaluation of the Committee, taking into account the Terms of Reference, to determine the effectiveness of the Committee.

VI. COMMITTEE TIMETABLE

The timetable on the following pages outlines the Committee's schedule of activities during the year.

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In the chart below "AN" means "as necessary"

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AN
A. Compensation philosophy and guidelines:													
i) Review Compensation philosophy and guidelines relating to Primero Officers and Directors and recommend to Board										✓			
ii) Review Compensation policies and guidelines relating to all employees, and material new benefit programs, or material changes to existing benefit programs													✓
B. CEO and EC Evaluation and Compensation													
i) Review CEO and EC terms of reference and recommend any changes to Board										✓			
ii) Review goals and objectives relevant to CEO and EC compensation and recommend to Board										✓			
iii) Lead CEO and EC review/evaluation and report the results to Board		✓											
iv) Recommend CEO and EC compensation to Board										✓			
v) Review and recommend to Board any agreements between the Company and the CEO or EC													✓
C. Review CEO's assessment of non-CEO Officers and fix non-CEO Officer Compensation for recommendation to Board										✓			

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	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AN
D. Review and recommendation to Board:													
i) incentive awards, perquisites and other remuneration matters with respect to Primero Officers and Directors		✓											
ii) Primero Officers and Directors benefit plans		✓											
iii) equity-based plans		✓											
iv) agreements between the Company and Primero Officers													✓
E. Review appointment or discharge of management team members													✓
F. Administer any stock option plan, deferred share unit plan and such other similar plans													✓
G. Review recommendations for and recommend to the Board granting of stock options, deferred share units or other securities to Primero Officers, Directors and other key employees													✓
H. Suggest and review amendments the Committee considers necessary to stock option plans, deferred share unit plans or similar plans and recommend to Board													✓
I. Review and recommend agreements for payment of benefits following a change of control or severance of Primero Officers													✓

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	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AN
J. Recommend to Board any share ownership guidelines applicable to Primero Officers and Directors and review share-holding of Primero Officers and Directors relative to guidelines													✓
K. Review succession plans; monitor progress and development of executives in accordance with plans; review adequacy of the succession candidates and report to Board		✓											
L. Review benefits provided by any pension plans for Primero Management and employees		✓											
M. Review management organization structure and CEO's proposals for changes and recommend significant organizational changes to Board		✓											
N. Review any limit on number of external Boards Primero Management may participate on													✓
O. Receive proposed membership by Primero Management on external boards													✓
P. Confirm to Primero Management that the Company shall not indemnify nor be exposed to liability with respect to employee participation on external boards													✓
Q. Review management's assessment of compliance with laws, regulations, and disclosure requirements		✓											

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	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AN
R. Ensure production of report on executive Compensation disclosure, review with Board and recommend to Board				✓									✓
S. Assess adequacy of these terms of reference and recommend to Board		✓											
T. Conduct annual self-evaluation and report to Board		✓											

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**Appendix One: Disclosure Items Under Human Resources Committee
Responsibility under CSA NI 58-101**

Item		CSA**		
Describe the responsibilities, powers and operation of the Committee.		√		
Describe the process by which the board determines the Compensation for officers.		√		
Disclose whether or not the board and CEO have developed a written position description for the CEO.		√		
If the board and CEO have not developed a written position description for the CEO, briefly describe how the board delineates the role and responsibilities of the CEO.		√		
If a Compensation consultant or advisor has, at any time since the beginning of the most recently completed financial year, been retained to assist in determining Compensation for any of the directors and officers, disclose the identity of the consultant or advisor and briefly summarize the mandate for which they have been retained. If the consultant or advisor has been retained to perform any other work, state that fact and briefly describe the nature of the work.		√		