

**TERMS OF REFERENCE FOR THE GOVERNANCE AND
NOMINATING COMMITTEE**

I. PURPOSE

The main purpose of the Governance and Nominating Committee (the “Committee”) is to provide a focus on governance that will enhance Goldcorp Inc. (“Goldcorp” or the “Company”) performance, to assess and make recommendations regarding Board of Directors (the Board”) effectiveness and to establish and lead the process for identifying, recruiting, appointing, re-appointing and providing ongoing development for directors.

II. COMPOSITION AND OPERATIONS

- A. The Committee shall be composed of not fewer than two 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 item 31(vii) of Tab A-6, Board Guidelines.

III. DUTIES AND RESPONSIBILITIES

Subject to the powers and duties of the Board, the Committee will:

- A. Annually review the Board’s relationship with management to ensure the Board is able to, and in fact does, function independently of management.
- B. Develop, and annually update and recommend to the Board for approval, a long term plan for Board composition that takes into consideration:
 - i) the independence of each director;
 - ii) the competencies and skills the Board, as a whole, should possess;
 - iii) the current strengths, skills and experience represented by each director, as well as each director’s personality and other qualities as they affect Board dynamics;

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

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- iv) retirement dates;
 - v) the appropriate size of the Board, with a view to facilitating effective decision-making and
 - vi) the strategic direction of the Company.
- C.** Develop recommendations regarding the essential and desired experiences and skills for potential directors, taking into consideration the Board's short-term needs and long-term succession plans.
- D.** Develop and implement a process to handle any nominees for director who are recommended by security holders.
- E.** In conjunction with the Non-Executive Board Chair, recommend to the Board nominees for election to the Board, considering what competencies and skills each nominee will bring to the Board as well as whether or not each new nominee can devote sufficient time and resources to his or her duties as a Board member.
- F.** Review periodically, for Board approval, a Board Manual outlining the policies and procedures by which the Board will operate and the terms of reference for the Board, the Non-Executive Board Chair, the CEO, and committees of the Board.
- G.** In conjunction with the Non-Executive Board Chair, assess the needs of the Board in terms of the frequency and location of Board and committee meetings, meeting agendas, discussion papers, reports and information, and the conduct of meetings and make recommendations to the Board as required.
- H.** In conjunction with the Non-Executive Board Chair, recommend committee members and committee chair appointments to the Board for approval and review the need for, and the performance and suitability of, those committees and make recommendations as required.
- I.** Review, monitor and make recommendations to the Board regarding the orientation and education of directors.
- J.** Annually review the directors' compensation program and make any recommendations to the Board for approval.

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- K.** Annually review the Company’s directors’ and officers’ third-party liability insurance to ensure adequacy of coverage.
- L.** Review the Board’s needs for formal Board, committee and individual director evaluation processes; and develop and implement appropriate processes.
- M.** Review and approve the request of an individual director to engage independent counsel in appropriate circumstances, at the Company’s expense.
- N.** With regard to the Company’s Code of Business Conduct and Ethics (the “Code”):

 - i) review and update periodically the Code and ensure that management has established a system to enforce the Code;
 - ii) review actions taken to ensure compliance with the Code and the results of confirmations and violations of such Code;
 - iii) ensure the Code, any revisions to the Code and any waivers to the Code granted by the Board are disclosed in a manner that meets regulatory guidelines;
 - iv) ensure that any departures from the Code by a director or senior officer that constitute a “material change” within the meaning of National Instrument 51-201 Disclosure Standards, are reported in a manner that fully meets regulatory requirements.
- O.** Annually compare the Company’s corporate governance practices against those recommended or required by any applicable regulator or stock exchange. Ensure the Company meets all requirements, and where the Company’s practices differ from recommended practices, recommend to the Board whether this situation continues to be in the best interests of the Company.

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- P.** Develop for Board approval an annual report of Goldcorp's governance practices. This report shall include adequate detail to meet or exceed any regulatory or legal governance disclosure requirements, in addition to any additional disclosure the Board deems important. Disclosure should include, but not be limited to the items in the governance disclosure checklist in the appendix to these Terms of Reference. The Committee shall communicate with other Board committees as necessary regarding disclosure of items under their respective mandates.
- Q.** Implement and oversee measures for security holders to contact the independent directors, and ensure these measures are communicated to shareholders.
- R.** Recommend to the Board any reports on corporate governance that may be required or considered advisable.
- S.** At the request of the Board, undertake such other corporate governance initiatives as may be necessary or desirable to contribute to the success of the Company.

IV. 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.

V. COMMITTEE TIMETABLE

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

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	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
A. Review Board's relationship with management		✓										
B. Develop, update and recommend to Board a long term Board composition plan		✓										
C. Recommend to Board essential and desired experiences and skills for potential directors		✓										
D. Develop and implement process for director nominees recommended by security-holders		✓										
E. Recommend director nominees to Board		✓										
F. Review Board Manual		✓										
G. Assess Board's needs for frequency and location of Board and committee meetings, meeting agendas, discussion papers, reports and information, and the conduct of meetings and recommend to Board		✓										
H. Recommend committee members and chairs and the performance and suitability of committees to Board		✓										
I. Review and monitor director orientation and education and recommend to Board		✓										
J. Review director compensation and recommend to Board		✓										
K. Review D&O liability insurance								✓				
L. Review Board's needs for formal Board, committee and individual director evaluation processes; develop and implement appropriate processes		✓										
M. Review and approve any director request for independent counsel	As Needed											
N. Code of Business Conduct and Ethics:												
i) Review and update Code periodically and ensure management has system to enforce Code		✓										

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	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
ii) Review actions taken to ensure compliance and results of confirmations and violations		✓										
iii) Ensure the Code, any revisions and any waivers granted by Board are disclosed		✓										
iv) Ensure that any departures from Code are reported in a manner that fully meets regulatory requirements		✓										
O. Compare corporate governance practices requirements of regulators or stock exchanges, ensure all requirements are met, or if practices differ from recommended practices, recommend to the Board whether this situation continues to be in the best interests of the Company		✓										
P. Develop report to meet or exceed regulatory or legal governance disclosure requirements and communicate with other Board committees regarding disclosure of items under their mandates		✓										
Q. Implement and oversee measures for shareholders to contact independent directors, and ensure these measures are disclosed		✓										
R. Recommend to Board any reports on corporate governance that may be required or considered advisable		✓										
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: GOVERNANCE DISCLOSURE CHECKLIST

Item		CSA*	NYSE/SEC	G&M**
Disclose the identity of each director and whether each director is independent or not independent; and describe the basis for that determination.		√		√
Disclose whether or not a majority of directors are independent/unrelated. If not, describe what the board does to facilitate its exercise of independent judgement in carrying out its responsibilities.		√		
Disclose detailed biographies for each director.				√
If a director is presently a director of any other reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.		√		√
Disclose whether directors are required to own shares or share units, and if yes, the amount they are required to own.				√
If the company awards options to directors, disclose whether there is a firm cap on option grants.				√
Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the most recently completed financial year..		√	√	√
If the independent directors do not hold regularly scheduled meetings at which members of management are not in attendance, describe what the Board does to facilitate open and candid discussion among its independent directors.		√		
If one director is chosen to preside at all executive sessions of non-management directors, disclose his/her name in the annual proxy statement. If the same individual is not the presiding director at every such session, disclose the procedure by which a presiding director is chosen for each executive session. Disclose a method for parties to communicate directly with the presiding director or with the non-management directors as a group.			√	
Disclose whether or not the Board chair is independent. If the board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the Board has neither a chair that is independent nor a lead director that is independent, describe what the Board does to provide leadership for its independent directors.		√		
Disclose the text of the Board's written mandate. If the Board does not have a written mandate, describe how the Board delineates its role and responsibilities.		√		

* New disclosure requirements as of June 30, 2005.

** Recommended, but not required disclosure.

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Item		CSA*	NYSE/SEC	G&M**
Disclose the Board Guidelines (Tab A-6)			√	
As a foreign private issuer on the New York Stock Exchange, disclose any significant ways in which the Company's governance practices differ from those followed by U.S. domestic companies under NYSE listing standards.			√	
Disclose whether or not the Board has developed written position descriptions for the Chair and the chair of each Board committee. If the Board has not developed written position descriptions for the Chair and/or the chair of each Board committee, briefly describe how the Board delineates the role and responsibilities of each such position.		√		
Briefly describe what measures the Board takes to orient new directors regarding (i) the role of the Board, its committees and its directors, and (ii) the nature and operation of the issuer's business.		√		
Briefly describe what measures, if any, the Board takes to provide continuing education for its directors. If the Board does not provide continuing education, describe how the board ensures that its directors maintain the skill and knowledge necessary for them to meet their obligations.		√		
Describe any steps the Board takes to ensure directors exercise independent judgement in considering transactions and agreements in respect of which a director or executive officer has a material interest.		√		
Disclose whether or not the Company has adopted a written code of ethical business conduct for the directors, officers and employees.		√	√	
Ensure the Code and any revisions to the Code are disclosed in a manner that meets regulatory guidelines.		√	√	
If the Company has adopted a written code of ethical business conduct for its directors, officers and employees: (i) disclose how a person or company may obtain a copy of the written code;		√		
(ii) describe how the Board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the Board satisfies itself regarding compliance with its code;		√		
(iii) provide a cross-reference to any material change report filed since the beginning of the most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.		√		

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Ensure that any departures from the Code by a director or senior officer are reported in a manner that meets regulatory requirements.		√		
Ensure that any waivers from the Code granted by the Board are reported in a manner that meets regulatory requirements.		√	√	
Describe any other (besides the Code of Ethics) steps the Board takes to encourage and promote a culture of ethical business conduct.		√		
Disclose whether or not the Board has a nominating committee composed entirely of independent directors.		√		
If the Board does not have an independent nominating committee, describe why the Board believes this appropriate, what steps the Board takes to encourage an objective nomination process and identify the directors who participate in the consideration of director nominees.		√	√	
If the Board has a nominating committee, describe its responsibilities, powers and operation.		√		
Disclose the nominating committee terms of reference on the company website and disclose the web site address, or include the nominating committee charter as an appendix to the proxy statement at least every three years.			√	
If the nominating committee pays a fee to any third party to identify or evaluate or assist in identifying or evaluating potential nominees, disclose the function performed by each such third party.			√	
Describe the process by which the Board identifies new candidates for board nomination.		√		
Describe any minimum qualifications the nominating committee has that it believes must be met by a nominating committee-recommended nominee, and describe any specific qualities or skills that the nominating committee believes are necessary for one or more of the directors to possess.			√	
If the nominating committee has a policy with regard to the consideration of director candidates recommended by security holders, describe the material elements of that policy, including a statement as to whether the committee will consider director candidates recommended by security holders. If the nominating committee does not have a policy with regard to the consideration of director candidates recommended by security holders, state that fact and a statement of the basis for the Board's view that it is appropriate for the Company not to have such a policy.			√	

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If the nominating committee will consider candidates recommended by security holders, describe the procedures to be followed by security holders in submitting such recommendations			√	
Describe the nominating committee's process for identifying and evaluating nominees for director, including nominees recommended by security holders and any differences in the manner in which the nominating committee evaluates nominees for director based on whether the nominee is recommended by a security holder.			√	
Disclose for each nominee on the proxy, a statement as to which one or more of the following categories recommended that nominee: security holder, non-management director, CEO, other executive officer, third-party search firm, other specified source.			√	
If the nominating committee receives no later than 120 days before the proxy statement is released, a recommended nominee, disclose for each nominee on the proxy, a statement as to which one or more of the following categories recommended that nominee: security holder, non-management director, CEO, other executive officer, third-party search firm, other specified source, from a security holder or group of security holders that beneficially owns more than 5% of voting common stock for at least one year as of the date the recommendation is made, it must identify the candidate and security holder(s) and disclose whether the committee chose to nominate the candidate, provided that no such identification or disclosure is made without the written consent of the security holder(s) and candidate.			√	
Disclose whether or not the Board has a compensation committee composed entirely of independent directors. If the board does not have a compensation committee composed entirely of independent directors, describe what steps the board takes to ensure an objective process for determining such compensation.		√		
If the Board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.		√		
Disclose what steps, if any, that the Board takes to satisfy itself that the Board, its committees and its individual directors are performing effectively.		√		√
If Board, committee and director assessments are regularly conducted, describe the process used for the assessments.				√
Disclose the number of meetings held by the Board and each of its committees.				√

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Disclose director attendance records at Board meetings.		√		√
Disclose whether or not the board provides a process for security holders to send communications to the board. If not, state the board's view as to why it is appropriate for the company not to have such a process. If yes, describe the manner in which security holders can send communications to the board, and if applicable, individual directors. If all security holder communications are not sent directly to board members, describe the process by which the company determines which communications will be sent to the board.			√	
Describe the company's policy, if any, with regard to Board member's attendance at annual meetings and a statement of the number of Board members who attended the prior year's annual meeting.			√	

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