

## **ENDEAVOUR SILVER CORP.**

### **Compensation Committee Charter** (effective August 1 2012)

This Compensation Committee Charter has been approved by the Board of Directors (the “Board”) of Endeavour Silver Corp. (the “Company”) as of the date set out above.

#### **1. Purpose Of Compensation Committee**

The Compensation Committee shall advise and make recommendations to the Board in its oversight role with respect to the Company’s strategy, policies and programs on the compensation and development of senior management and directors.

#### **2. Composition**

The Compensation Committee shall be comprised of a minimum of two directors, each of whom shall be unrelated and independent as determined by the Board in accordance with the applicable requirements of the laws governing the Company, the applicable stock exchanges on which the Company’s securities are listed and applicable securities regulatory authorities.

The members of the Compensation Committee shall be appointed by the Board annually and shall serve until their successors are duly appointed. The Board shall designate one member of the Compensation Committee as the chair of the Compensation Committee (the “Chair”), but if it fails to do so, then members of the Compensation Committee may designate the Chair by a majority vote of the full Compensation Committee membership.

#### **3. Meetings**

The Committee shall meet at least annually or more frequently as required. The Compensation Committee shall seek to act on the basis of consensus, but an affirmative vote of a majority of members of the Compensation Committee participating in any meeting of the Compensation Committee shall be sufficient for the adoption of any resolution.

#### **4. Committee Responsibilities and Duties**

4.1 The Compensation Committee’s primary responsibilities are to:

- (a) review and assess the adequacy of this Charter annually and, where necessary, recommend changes to this Charter;
- (b) review the adequacy and form of compensation of senior management and ensure that the compensation realistically reflects the risks and responsibilities of such positions;
- (c) review and recommend to the Board for approval policies relating to compensation of the Company’s senior management and directors;
- (d) review the performance of the Company’s senior management and recommend annually to the Board for approval the amount and composition of compensation to be paid to the Company’s senior management;

- (e) review and approve the corporate goals and objectives relevant to the CEO, the COO and the CFO and other officers' compensation, as relevant, evaluate their performance in light of these goals and objectives and set their compensation based on this evaluation;
- (f) review and make recommendations to the Board with respect to pension, stock option, equity and other incentive plans for the benefit of senior management;
- (g) oversee the administration of the Company's stock option plan for the benefit of directors, officers and employees of and services providers to the Company and its subsidiaries;
- (h) review the adequacy and form of the compensation of directors and ensure that the compensation realistically reflects the responsibilities and risks of such positions and fix the amount and composition of compensation to be paid to members of the Board and the committees thereof;
- (i) review the design and competitiveness of the Company's compensation and benefit programs generally;
- (j) report to the Board on all other matters and recommendations made by the Compensation Committee;
- (k) review and approve the compensation discussion and analysis for inclusion in the Company's annual general meeting information circular;
- (l) if requested by the Board, consider the implications of the risks associated with the Company's compensation policies and practices;
- (m) follow the process established by it for all committees of the Board for assessing the performance of the Committee; and
- (n) exercise such other powers and perform such other duties and responsibilities as are incidental to the purposes, duties and responsibilities specified herein and as may from time to time be delegated to the Committee by the Board.

4.2 The Committee shall have the authority to conduct any investigation appropriate to fulfilling its responsibilities. After discussion with the Board, the Committee may retain or appoint, at the Company's expense, such compensation consultants and other experts and advisors as it deems necessary to carry out its duties, and to set and pay their compensation. If requested by the Board, the Committee shall pre-approve other services any such consultants, experts or advisors, or any of its affiliates, provide to the Company at the request of management of the Company/