

**180 DEGREE CAPITAL CORP.**  
**COMPENSATION COMMITTEE CHARTER**  
**(As adopted on March 6, 2014)**

**1. Mission Statement**

The Compensation Committee shall evaluate the compensation of the executive officers of 180 Degree Capital Corp. (the “Company”) and assure that they are compensated effectively and in a manner consistent with the stated compensation strategy of the Company, internal equity considerations, competitive practice, and the requirements of the appropriate regulatory bodies. The Committee also shall communicate to shareholders regarding the Company’s compensation policies and reasoning behind such policies as required by the rules promulgated by the Securities and Exchange Commission. In addition, the Committee shall evaluate and make recommendations regarding the compensation of the Directors, including their compensation for services on Board of Directors (“Board”) committees.

**2. Membership and Qualification**

The Committee shall consist of three or more non-interested Directors as defined in and determined pursuant to the rules and regulations of Nasdaq and the Investment Company Act of 1940.

The Committee members shall be elected annually by the Board for terms of one year, or until their successors shall be duly elected and qualified. Unless a Committee Chairman is elected by the full Board, the Committee members may designate a Chairman consistent with any recommendation of the Nominating and Management Development Committee.

In addition to satisfying the requirements necessary to be independent or non-interested Directors, each member of the Committee also shall satisfy all requirements necessary from time to time to be “non-employee directors” under Rule 16b-3 of the Securities Exchange Act of 1934 and qualified “outside directors” under Section 162(m) of the Internal Revenue Code and related regulations, all as amended from time to time.

In addition, in affirmatively determining the independence of any director who will serve on the Committee, the Board of Directors must consider all factors specifically relevant to determining whether a director has a relationship to the Company which is material to that director's ability to be independent from management in connection with the duties of a compensation committee member, including, but not limited to:

- (i) the source of compensation of such director, including any consulting, advisory or other compensatory fee paid by the Company to such director; and
- (ii) whether such director is affiliated with the Company, a subsidiary of the Company or an affiliate of a subsidiary of the Company.

**3. Meetings and Other Actions**

The Committee will meet at least once a year and at such additional times as may be necessary to carry out its responsibilities. Meetings may be called by the Chairman of the Committee, the Chairman of

the Board and/or the Chief Executive Officer of the Company. All meetings of and other actions by the Committee shall be held and taken pursuant to the Bylaws of the Company, including Bylaw provisions governing notice of meetings and waiver thereof, the number of Committee members required to take actions at meetings and by written consent, and other related matters.

- Unless otherwise authorized by the Board, the Committee shall not delegate any of its authority to any subcommittee.
- Reports of meetings of and actions taken at meetings or by consent by the Committee since the most recent Board meeting (except to the extent covered in an interim report circulated to the Board) shall be made by the Committee Chairman or his/her delegate to the Board at its next regularly scheduled meeting following the Committee meeting or action and shall be accompanied by any recommendations from the Committee to the Board. In addition, the Committee Chairman or his/her delegate shall be available to answer any questions the other Directors may have regarding the matters considered and actions taken by the Committee.

#### **4. Goals, Responsibilities and Authority**

In carrying out its mission, the Committee shall have the following responsibilities and authority (it being understood that the Committee may condition its approval of any compensation on Board or shareholder ratification to the extent so required to comply with applicable tax law such as Rule 162(m) of the Internal Revenue Service):

- Review from time to time, modify if necessary, and approve: (a) the Company's corporate goals and objectives relevant to executive compensation, (b) the Company's executive compensation structure to ensure that it is designed to achieve the objectives of rewarding the Company's executive officers appropriately for their contributions to corporate growth and profitability and (c) the Company's other goals and objectives.
- A majority of non-interested directors or a Committee comprised solely of non-interested directors meeting in executive session without the presence of any interested directors may annually evaluate the compensation of the Chief Executive Officer and, subject to the requirements of any employment agreement, determine the amounts and individual elements of total compensation for the Chief Executive Officer consistent with the Company's corporate goals and objectives. The Chief Executive Officer should not be present when the Committee is discussing his compensation.
- A majority of non-interested directors or a Committee comprised solely of non-interested directors may annually evaluate, in conjunction with the Chief Executive Officer, the compensation and performance relative to compensation of other executive officers and, subject to the requirements of any employment agreement, approve the individual elements of total compensation for each such person.
- Annually recommend to the Board, including a majority of the Directors who are not interested persons of the Company, the compensation of the Chief Compliance Officer.
- Periodically evaluate the terms and administration of the Company's annual and long-term incentive plans to assure that they are structured and administered in a manner consistent

with the Company's goals and objectives as to participation in such plans and corporate financial goals.

- Annually evaluate the terms and administration of and approve any proposed amendments to the Company's existing equity incentive plan; evaluate and approve the adoption of any new equity related plans; and determine when it is necessary (based on the advice of counsel) or is otherwise desirable: (a) to modify, discontinue or supplement such plan; or (b) to submit any amendment or adoption of such existing or new plans to a vote of the full Board and/or the Company's shareholders.
- Annually evaluate the compensation of Directors, including for service on Board committees and taking into account the compensation of directors at other comparable companies, noting that as of now, there are no directly comparable companies. Make recommendations to the Board regarding any adjustments in director compensation that the Committee considers appropriate.
- Approve annual retainer and meeting fees for Board and committees of the Board, and fix the terms of any stock purchase policies or stock awards (subject to receipt of an exemptive order) for compensation of members of the Board.
- Approve revisions to the Company's executive salaries and discuss all such compensation arrangements with the Chief Executive Officer.
- Annually evaluate the Company's employee benefit programs and approve any significant changes therein and determine when it is necessary (based on advice of counsel) or otherwise desirable to submit any such changes to a vote of the full Board and/or the Company's shareholders.
- Be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, independent legal counsel and other adviser retained by the compensation committee, and to evaluate such consultants' independence as set forth below.
- Provide any reports on compensation required by applicable law or requested by the Board.
- Perform such other duties and responsibilities as may be assigned to the Committee, from time to time, by the Board of the Company, the lead independent director and/or the Chairman of the Board, or as designated in plan documents.

## 5. **Additional Resources**

The Committee shall have the authority, in its sole discretion, to retain or obtain the advice of compensation advisers, including compensation consultants, independent legal counsel and other advisers to assist and advise the Committee in connection with its responsibilities. The Committee shall keep the Company's Chief Financial Officer advised as to the general range of anticipated expenses for outside consultants. Before selecting any consultant, legal counsel (other than in-house counsel) or other adviser, the Committee must take into consideration the following factors:

- The provision of other services to the Company by the person that employs the compensation consultant, legal counsel or other adviser;

- The amount of fees received from the Company by the person that employs the compensation consultant, legal counsel or other adviser, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other adviser;
- The policies and procedures of the person that employs the compensation consultant, legal counsel or other adviser that are designed to prevent conflicts of interest;
- Any business or personal relationship of the compensation consultant, legal counsel or other adviser with a member of the compensation committee;
- Any stock of the Company owned by the compensation consultant, legal counsel or other adviser; and
- Any business or personal relationship of the compensation consultant, legal counsel, other adviser or the person employing the adviser with an executive officer of the Company.