

## **DUOS TECHNOLOGIES GROUP, INC.**

### **COMPENSATION COMMITTEE CHARTER**

#### **Organization**

There shall be a committee appointed by the Board of Directors of Duos Technologies Group, Inc., a Florida corporation (the “Corporation”), of members of the Board of Directors, all of whom shall be independent non-employee directors known as the compensation committee (the “Committee”). The number of Committee members shall be at least two. The Board shall, in the exercise of its business judgment, determine the “independence” of directors for this purpose, including under the requirements of the Nasdaq Stock Market. Members of the Committee shall also qualify as “non-employee directors” within the meaning of Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended, and as “outside directors” within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended. The Committee Chair and members shall be designated annually by a majority of the full Board, and may be removed, at any time, with or without cause, by a majority of the full Board. Vacancies shall be filled by a majority of the full Board.

#### **Statement of Policy**

The Committee shall provide assistance to the Board of Directors in fulfilling its responsibility to the shareholders, potential shareholders, and investment community relating to developing policies and making specific recommendations to the Board of Directors with respect to the direct and indirect compensation of the Corporation’s executive officers. The goal of these policies is to ensure that an appropriate relationship exists between executive pay and the creation of shareholder value, while at the same time motivating and retaining key employees. In so doing, it is the responsibility of the Committee to maintain free and open means of communication between the Board of Directors, executive management of the Corporation and the Corporation’s employees and associates.

#### **Responsibilities**

In carrying out its responsibilities, the Committee believes its policies and procedures should remain flexible, in order to best react to changing conditions and to ensure to the Board of Directors and shareholders that the corporate compensation practices of the Corporation are in accordance with all applicable requirements and are of the highest quality. The Committee shall also produce an annual report on executive compensation for inclusion in the Corporation’s proxy statement, in accordance with applicable rules and regulations.

In addition to the powers and responsibilities expressly delegated to the Committee in this Charter, the Committee may exercise any other powers and carry out any other

responsibilities delegated to it by the Board from time to time consistent with the Corporation's bylaws. The powers and responsibilities delegated by the Board to the Committee in this Charter or otherwise shall be exercised and carried out by the Committee as it deems appropriate without requirement of Board approval, and any decision made by the Committee (including any decision to exercise or refrain from exercising any of the powers delegated to the Committee hereunder) shall be at the Committee's sole discretion. While acting within the scope of the powers and responsibilities delegated to it, the Committee shall have and may exercise all the powers and authority of the Board. To the fullest extent permitted by law, the Committee shall have the power to determine which matters are within the scope of the powers and responsibilities delegated to it.

In carrying out these responsibilities, the Committee will:

1. Review and approve the Corporation's goals and objectives relevant to the compensation of the Chief Executive Officer ("CEO"), evaluate the CEO's performance with respect to such goals, and, subject to existing contractual obligations, set the CEO's compensation level based on such evaluation;
2. Review, approve and recommend to the Board the evaluation process and compensation structure for our other executive officers;
3. Consider the CEO's recommendations with respect to other executive officers;
4. Determine the need for and the appropriateness of employment agreements and change in control agreements for each of the executive officers and any other officers recommended by the CEO or the Board;
5. Evaluate the Corporation's performance both in terms of current achievements and significant initiatives with long-term implications;
6. Assess the contributions of individual executives and recommend to the Board levels of salary and incentive compensation payable to executive officers of the Corporation;
7. Provide oversight of management's decisions concerning the performance and compensation of other Corporation officers, employees, consultants and advisors;
8. Compare compensation levels with those of other leading companies in similar or related industries;
9. Review financial, human resources and succession planning within the Corporation;
10. Recommend to the Board the establishment and administration of incentive compensation plans and programs and employee benefit plans and programs;

11. Review the Corporation's incentive compensation and other equity based plans and recommend changes in such plans to the Board as needed, and exercise all the authority of the Board with respect to the administration of such plans;
12. Recommend to the Board the payment of additional year-end contributions by the Corporation under certain of its retirement plans;
13. Grant stock incentives to key employees of the Corporation and other eligible grantees and administer the Corporation's stock incentive plans;
14. Review and recommend to the Board the compensation of independent directors, including incentive and equity-based compensation;
15. Monitor compliance with legal prohibition on loans to directors and executive officers of the Corporation;
16. Review and recommend for Board approval compensation packages for new corporate officers and termination packages for corporate officers as requested by management;
17. Determine whether to select, retain or terminate any compensation consulting firm, outside counsel or other advisors as it deems necessary or appropriate. Exercise sole authority to approve the terms and fees relating to such retention;
18. The Committee shall review at least annually the adequacy of this charter and recommend any proposed changes to the Board for its approval;
19. Submit the minutes of all meetings of the Committee to, or discuss the matters discussed at each committee meeting with, the Board of Directors;
20. Investigate, within the scope of its duties, any matter brought to its attention; and
21. Report to the shareholders in the Corporation's proxy statement on the executive compensation of the CEO and other executive officers of the Corporation in accordance with applicable rules and regulations.

## **Meetings**

A majority of Committee members shall constitute a quorum for the transaction of business. The action of a majority of those present at a meeting at which a quorum is attained, shall be the act of the Committee. The Committee may delegate matters (except for matters where it has determined that compensation is intended to comply with Section 162(m) of the Code or is intended to be exempt from Section 16 of the Securities Act of 1934, as amended, pursuant to Rule 16b-3) within its responsibility to subcommittees composed of certain of its members. The Committee shall meet in executive session without the presence of any members of

management as often as it deems appropriate. The Committee shall meet as required, keep a record of its proceedings, if appropriate or needed, and report thereon from time to time to the Board of Directors.

All non-management directors who are not members of the Committee may attend and observe meetings of the Committee, but shall not participate in any discussion or deliberation unless invited to do so by the Committee, and in any event shall not be entitled to vote. The Committee may, at its discretion, include in its meetings members of the Company's management, representatives of the independent auditor, the internal auditor, and any other financial personnel employed or retained by the Company or any other person whose presence the Committee believes to be necessary or appropriate. Notwithstanding the foregoing the CEO may not be present during voting or deliberations concerning his or her compensation.

### **Committee Performance Evaluation**

The Committee shall annually conduct an evaluation of its performance in fulfilling its responsibilities and meeting its goals, as outlined above.