

KASPIEN HOLDINGS INC.
CHARTER OF THE COMPENSATION COMMITTEE
OF THE BOARD OF DIRECTORS

A. FORMATION OF THE COMPENSATION COMMITTEE

There shall be a committee of the Board of Directors (the “Board”) of Kaspien Holdings Inc., a New York corporation (the “Company”) to be known as the “Compensation Committee” (the “Committee”).

The Committee shall be composed of directors who are independent of the management of the Company and are free of any relationship that, in the opinion of the Board, would interfere with the exercise of independent judgment as a committee member. Without limiting the generality of the preceding sentence, the directors appointed to the Committee shall satisfy (i) the independence criteria of the NASDAQ Stock Market and (ii) the applicable rules and regulations of the U.S. Securities and Exchange Commission (the “SEC”), and shall not be an “affiliated person” of the issuer or any subsidiary as defined under the Sarbanes-Oxley Act of 2002. In determining whether a director is eligible to serve on the Committee, the Board shall also consider whether the director is affiliated with the Company, a subsidiary of the Company or an affiliate of a subsidiary of the Company to determine whether such affiliation would impair the director's judgment as a member of the Committee. In addition, if deemed appropriate from time to time, each director appointed to the Committee shall meet the definition of “non-employee director” under Rule 16b-3 under the Securities Exchange Act of 1934, and “outside director” for purposes of Section 162(m) of the Internal Revenue Code of 1986. Committee members shall not accept directly or indirectly any consulting, advisory or other compensatory fee from the Company or any subsidiary thereof. The Committee shall consist of no fewer than three

independent directors, for a term of appointment at the discretion of the Board, considering the recommendation of the Nominating & Governance Committee, and further considering the views of the Chairman of the Board and the Chief Executive Officer (the “CEO”), as appropriate, usually for one year. The members of the Committee shall serve until their successors are appointed and qualify, and shall designate the Chairman of the Committee. The Board shall have the power at any time to change the membership of the Committee and to fill vacancies in it, subject to such new member(s) satisfying the above requirements and any other corporate legislation in effect at that time. Except as expressly provided in this Charter or the by-laws of the Company, the Committee shall fix its own rules of procedure.

B. RESPONSIBILITIES OF THE COMMITTEE

The Committee shall:

- (a) discharge the Board's responsibilities relating to compensation of the Company's executives (including the CEO and all other executive officers, as defined under Section 16 of the Securities Exchange Act of 1934, and related rules) and
- (b) prepare an annual report on executive compensation for inclusion in the Company's proxy statement in accordance with applicable rules and regulations.

C. DUTIES OF THE COMMITTEE

In carrying out its responsibilities, the Committee shall:

1. **Review and approve all executive compensation.** The Committee shall review and approve corporate goals and objectives relevant to all executive officer compensation,

evaluate each executive officer's performance in light of those goals and objectives, and set the executive compensation level based on this evaluation. In determining the long-term incentive component of executive officers compensation, the Committee should consider the Company's performance and relative shareholder return, the value of similar incentive awards to executive officers at comparable companies, and the awards given to the Company's executive officers in past years. The Company's CEO may not be present during any deliberations or voting regarding his or her compensation.

2. **Conduct an Annual Review.** The Committee shall annually review and make recommendations to the Board with respect to the compensation of all officers and other key executives.
3. **Make Recommendations to the Board.** The Committee shall make recommendations to the Board with respect to incentive compensation plans and equity-based plans.
4. **Have sole authority to retain and oversee external advisors.** The Committee shall have the sole authority to appoint, retain, oversee and terminate any internal or outside legal counsel, external auditor, accountants, financial consultant and other advisors (each a "compensation advisor") as it determines necessary or appropriate to assist in the execution of its duties and responsibilities set forth in this charter, including the evaluation of director, Chief Executive Officer and senior executive compensation. The Committee shall have sole authority to approve the compensation advisor's compensation, fees and other retention terms. The Company shall provide

appropriate funding, as determined by the Committee, for the payment of reasonable compensation to compensation advisers retained by the Committee.

5. **Have sole authority in the selection of external advisors.** The Committee may select, or receive advice from, any compensation adviser it prefers, including ones that are not independent. However, the Committee may select, or receive advice from, a compensation adviser other than in-house legal counsel, only after taking into consideration the following six independence factors:
- (i) The provision of other services to the Company by the person that employs the compensation consultant, legal counsel or other adviser;
 - (ii) 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;
 - (iii) 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;
 - (iv) Any business or personal relationship of the compensation consultant, legal counsel or other adviser with a member of the Committee;
 - (v) Any stock of the Company owned by the compensation consultant, legal counsel or other adviser; and

(vi) 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.

Notwithstanding the foregoing, the Committee is not required to conduct an independence assessment for a compensation adviser that acts in a role limited to the following activities for which no disclosure is required under the requirements of the SEC: (a) consulting on any broad-based plan that does not discriminate in scope, terms, or operation, in favor of executive officers or directors of the Company, and that is available generally to all salaried employees; and/or (b) providing information that either is not customized for a particular issuer or that is customized based on parameters that are not developed by the adviser, and about which the adviser does not provide advice.

For the avoidance of doubt, the Committee is not required to implement or act consistently with the advice or recommendations of any compensation adviser to the Committee. The retention of any outside advisers shall not affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties.

6. **Administer awards and incentives.** The Committee shall adopt, administer, approve and ratify awards under incentive compensation and stock plans, including amendments to the awards made under any such plans, and review and monitor awards under such plans.

7. **Make periodic reports.** The Committee shall make periodic reports to the Board.
8. **Review the Charter.** The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
9. **Review Committee performance.** The Committee shall annually review its own performance.
10. **Delegation of authority.** The Committee may form and delegate authority to subcommittees when appropriate.
11. **Review overall compensation for officer employees.** The Committee shall review the overall compensation structure of the Company to determine that it establishes appropriate incentives for officer employees at all levels. All incentives, while industry-dependent and different for different categories of officers should further the Company's long-term strategic plan and be consistent with the culture of the Company and the overall goal of enhancing shareholder value.

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