

22nd CENTURY GROUP, INC.
COMPENSATION COMMITTEE CHARTER

This charter (“Charter”) is adopted as the Charter of the Compensation Committee (“Committee”) of 22nd Century Group, Inc. (“Company”) on February 14, 2014. The Committee shall meet as needed, and may meet in any manner permitted by law and the Bylaws of the Company, including telephonically. A majority of the Committee members shall constitute a quorum, and a majority of the members present shall decide any question brought before the Committee. The Committee shall report to the full Board any actions taken at its meetings at the Board meeting next following each Committee meeting.

Membership:

The Committee shall consist of at least three (3) Independent Directors consistent with the Company’s Corporate Governance Guidelines and the current listing requirements of the stock exchange on which it is listed. All such Independent Directors shall also be outside directors within the meaning of Section 162 (m) of the Internal Revenue Code.

The Board will appoint the Committee members and a Chairman based on the recommendation of the Corporate Governance and Nominating Committee. The Board may remove Committee members at any time with or without cause and may fill any vacancies on the Committee.

The Committee shall:

1. Review and approve the overall compensation policies for the Company.
2. Review and approve corporate goals and objectives relevant to each of the Company’s executive officer’s compensation, evaluate each executive officer’s performance in light of those goals and objectives, and review and recommend to the Board each executive officer’s compensation level based on this evaluation. The applicable executive officer may not be present during voting or deliberations on his or her compensation.
3. Make recommendations to the Board with respect to incentive-compensation plans and equity-based plans that are subject to Board approval.
4. Review and recommend to the Board the compensation of non-executive Board members.
5. Serve as the Committee required under Section 162(m) of the Internal Revenue Code, and make all grants of stock options and restricted stock awards under the Company’s equity incentive plans under Section 16(b) of the Securities Exchange Act of 1934.
6. Administer the Company’s equity compensation plans, and grant awards under such plans, with the authority to delegate all or part of such responsibilities to one or more subcommittees, including management members, to the maximum extent permitted by applicable laws.
7. Oversee the administration of the Company’s employee benefit plans.
8. Prepare or cause to be prepared the Compensation Discussion and Analysis and the Compensation Committee Report on Executive Compensation to be included in the Company’s annual proxy statement.

9. At least once per year, evaluate the Company's performance in the area of diversity in the Company's workforce.
10. In exercising its responsibilities, the Committee may, in its sole discretion, retain or obtain the advice of a compensation consultant, independent legal counsel or other adviser. The Committee shall 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 Committee. The Committee shall be provided with appropriate funding, as determined by the Committee, for payment of reasonable compensation to a compensation consultant, independent legal counsel or any other adviser retained by the Committee. The Committee shall conduct any evaluation of the independence of its advisors that is required by law, the rules of the U.S. Securities and Exchange Commission ("SEC") or the listing standards on the stock exchange on which it is listed from time to time and shall consider the following factors:
 - The provision of other services to the Company by the firm that employs the compensation adviser;
 - The amount of fees received from the Company by the firm that employs the compensation adviser, as a percentage of the total revenue of the firm that employs the compensation adviser;
 - The policies and procedures of the firm that employs the compensation adviser that are designed to prevent conflicts of interest;
 - Any business or personal relationship of the compensation adviser with a member of the Committee;
 - Any stock of the Company owned by the compensation adviser or the adviser's immediate family members; and
 - Any business or personal relationship of the compensation adviser or the firm employing the adviser with an executive officer of the Company.
11. To annually consider the compensation consultant or advisor's independence and potential conflicts pursuant to the rules of the stock exchange on which it is listed.
12. Have authority to obtain advice and assistance from internal or external legal, accounting or other advisors.
13. Conduct an annual self-evaluation of the Committee and each of its members individually; its performance of its duties under this Charter; and the effectiveness of the overall compensation philosophy of the Company.
14. Oversee regulatory compliance with respect to compensation matters.
15. Review and approve employment or severance arrangements with senior management.
16. Report to the Board following each Compensation Committee meeting as to actions taken and recommendations made to the full Board.