

STANDARD DIVERSIFIED INC.

COMPENSATION COMMITTEE CHARTER

This Compensation Committee Charter (this “Charter”) was adopted by the Board of Directors (the “Board”) of Standard Diversified Inc. (the “Company”) on April 3, 2018.

This Charter is intended as a component of the flexible framework within which the Board, assisted by its committees, directs the affairs of the Company. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Company's Sixth Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws, it is not intended to establish by its own force any legally binding obligations.

I. PURPOSE AND AUTHORITY

The Compensation Committee (the “*Committee*”) shall carry out the responsibilities delegated by the Board relating to the review and determination of executive compensation.

In discharging its role, the Committee is empowered to investigate any matter brought to its attention with access to all books, records, facilities and personnel of the Company. The Committee may, in its sole discretion, retain or obtain the advice of independent legal counsel, compensation consultants or other advisors (collectively, “*Advisors*”) and will receive from the Company adequate funding, as determined by the Committee, for payment of reasonable compensation to such Advisors. The Committee will be directly responsible for the appointment, compensation and oversight of the work of any Advisor retained by the Committee, who shall be accountable ultimately to the Committee. Prior to selecting an Advisor, the Committee shall assess the Advisor’s independence from Company management, taking into consideration all relevant factors the Committee deems appropriate to such Advisor’s independence, including factors specified in the NYSE American (“*NYSE American*”) listing standards or other applicable rules and regulations. The Committee may select or receive advice from any Advisor it prefers, including Advisors that are not independent, after considering the independence factors required by NYSE American listing standards or other applicable rules and regulations.

II. COMMITTEE MEMBERSHIP

The Committee shall consist of two or more members of the Board, at least two of whom, so long as the Company is a “controlled company” as defined by the rules of the NYSE American, has been determined by the Board to be “independent” in accordance with applicable rules of the NYSE American. [In addition, no director may serve unless he or she (i) is a “Non-employee Director” for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and (ii) satisfies the requirements of an “outside director” for purposes of Section 162(m) of the Internal Revenue Code.] The members of the Committee shall be appointed by the Board based on recommendations from the nominating and corporate governance committee of the Board. The members of the Committee shall serve for such term or terms as the Board may determine or until earlier resignation or death. The Board may remove any member from the Committee at any time with or without cause.

III. COMMITTEE MEETINGS

The Committee shall meet on such number of occasions as circumstances dictate and at least annually with the chief executive officer (“CEO”) and any other corporate officers the Board and Committee deem appropriate to discuss and review the performance criteria and compensation levels of key executives. The Committee is governed by the same rules regarding meetings (including meetings in person or by telephone or other similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board. The Committee may invite such members of management to its meetings as it deems appropriate. However, the Committee shall meet regularly without such members present, and in all cases the CEO and any other such officers shall not be present at meetings at which their compensation or performance is discussed or determined.

IV. KEY RESPONSIBILITIES

The following responsibilities are set forth as a guide with the understanding that the Committee may diverge as appropriate given the circumstances. The Committee is authorized to carry out these and such other responsibilities assigned by the Board from time to time, and take any actions reasonably related to the mandate of this Charter.

To fulfill its purpose, the Committee shall:

1. annually review and approve corporate goals and objectives relevant to CEO compensation consistent with the Company’s compensation philosophy as established by the Board, including annual performance objectives;
2. evaluate the performance of the CEO against those corporate goals and objectives, and determine, or act with independent directors as directed by the Board to determine, and approve the compensation level for the CEO based on this evaluation. In determining the long-term incentive component of CEO compensation, the Committee may consider the Company’s performance and relative stockholder return, the value of similar incentive awards given to CEOs at comparable companies and the awards given to the Company’s CEO in past years, among any other factors the Committee may deem relevant;
3. review and make recommendations to the Board with respect to non-CEO compensation;
4. review and make recommendations to the Board for approval of any changes in incentive compensation plans and equity-based compensation plans;
5. administer and monitor compliance with the rules and guidelines of the Company’s equity-based plans;
6. prepare a report to be included in the Company’s annual proxy statement, in accordance with applicable rules and regulation of the NYSE American, SEC and other applicable regulatory bodies;

7. review, and make recommendations to the Board regarding, any employment agreements and any severance arrangements or plans, including any benefits to be provided in connection with a change in control, for the CEO and other executive officers, which includes the ability to adopt, amend and terminate such agreements, arrangements or plans;
8. determine stock ownership guidelines, if any, for the CEO and other executive officers and monitor compliance with such guidelines;
9. review, and make recommendations to the Board regarding, all employee benefit plans for the Company, which includes the ability to adopt, amend and terminate such plans;
10. conduct an annual self-evaluation of the performance of the Committee, including its effectiveness and compliance with this Charter;
11. evaluate the independence of any Advisors retained by the Committee; provided, however, that the Committee will not be required to assess the independence of any Advisor whose role is limited to (i) consulting on any broad-based plan that does not discriminate in terms of scope, terms or operation, in favor of officers or directors of the Company, and is available generally to all salaried employees of the Company, or (ii) providing information that either is not customized to the Company or that is customized based on parameters that are not developed by the Advisor, and about which the Advisor does not provide advice;
12. make a recommendation to the Board regarding the frequency of the advisory vote on compensation of the Company's named executive officers;
13. review and reassess the adequacy of this Charter annually, and propose amendments to the Board as the Committee deems appropriate; and
14. report regularly to the Board on Committee findings and recommendations and any other matters the Committee deems appropriate or the Board requests, and maintain minutes or other records of Committee meetings and activities.