

ROCKY BRANDS, INC.

SECOND AMENDED AND RESTATED

COMPENSATION COMMITTEE CHARTER

As amended on December 14, 2018

I. Purpose

The purpose of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Rocky Brands, Inc. (the “Company”) is to:

- discharge the Board’s responsibilities relating to compensation of the Company’s executive officers;
- review and discuss with management disclosures in the Compensation Discussion and Analysis section (“CD&A”), and the related executive compensation information, to be included in the Company’s annual proxy statement or other report or filing and make a recommendation to the Board as to whether such disclosures shall be included in the appropriate regulatory filing;
- produce an annual report on executive compensation for inclusion in the Company’s annual proxy statement or annual report on Form 10-K in accordance with the rules and regulations of the Securities and Exchange Commission (“SEC”), The Nasdaq Stock Market, and any other applicable rules and regulations; and
- discharge the Board’s responsibilities relating to the administration of the Company’s compensation programs and plans, including incentive and equity-based plans.

II. Composition and Meetings

The Committee will be comprised of no fewer than three directors, each of whom must be:

- independent in accordance with the provisions of Rule 10C-1(b)(1) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”);
- an “independent director” as defined by Rule 5605(a)(2) of The Nasdaq Stock Market;
- a “non-employee director” as defined by Rule 16b-3 under the Securities Exchange Act of 1934; and

- an “outside director” as defined by Section 162(m) of the Internal Revenue Code to the extent necessary to preserve a deduction.

The Committee members will be appointed by the Board on the recommendation of the Nominating and Corporate Governance Committee and will serve until their successors are appointed and qualified. Committee members may be replaced by the Board at any time with or without cause. If a Committee Chair is not designated or present, the members of the Committee will designate a Chair by a majority vote of the Committee membership.

The Committee will meet as often as its members deem necessary to perform the Committee’s responsibilities. The Committee may request any officer or employee of the Company, its outside counsel, or independent registered public accounting firm to attend a meeting of the Committee or to meet with any member of, or consultants to, the Committee. The Committee will make regular reports to the Board on its activities.

The Committee may form and delegate any of its responsibilities to a subcommittee or subcommittees.

III. Authority, Duties and Responsibilities

The Committee will review and approve on an annual basis the corporate goals and objectives with respect to compensation for the chief executive officer. The Committee will evaluate at least once a year the chief executive officer’s performance in light of these established goals and objectives and based upon these evaluations will have sole authority to set the chief executive officer’s annual compensation, including salary, bonus, incentive, and equity compensation. In determining the incentive component of the chief executive officer’s compensation, the Committee may consider the Company’s performance and relative stockholder return, the value of similar incentive awards given to chief executive officers at comparable companies, and the awards given to the Company’s chief executive officer in past years. In evaluating and determining the chief executive officer’s compensation, the Committee will consider the results of the most recent stockholder advisory vote on executive compensation (“Say on Pay Vote”) required by Section 14A of the Exchange Act. The chief executive officer may not be present during voting or deliberations of his or her compensation.

The Committee will also review and approve on an annual basis the evaluation process and compensation structure for all of the Company’s non-CEO executive officers. The Committee will evaluate the performance of such executive officers and will approve the annual compensation, including salary, bonus, incentive, and equity compensation, for such executive officers. In evaluating and determining executive compensation, the Committee will consider the results of the most recent Say on Pay Vote. The Company’s chief executive officer may be present at the meeting and deliberations on the compensation of the Company’s non-CEO executive officers but may not be present at the vote thereon.

The Committee will also review and approve on an annual basis the compensation structure for any other employee of the Company who is a family member of an executive officer or director of the Company. The Committee will evaluate the performance of such family

member employees and will approve the annual compensation, including salary, bonus, incentive, and equity compensation, for such family member employees. The Company's chief executive officer may be present at the meeting and deliberations on the compensation of employees who are members of his or her family but may not be present at the vote thereon.

The Committee will 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 chief executive officer and other executive officers.

The Committee will review the Company's incentive compensation arrangements to determine whether they encourage excessive risk-taking, to review and discuss at least annually the relationship between risk management policies and practices and compensation, and to evaluate compensation policies and practices that could mitigate any such risk.

The Compensation Committee will review and recommend to the Board the compensation for Board members.

The Compensation Committee will meet to review and discuss with management the CD&A required by the rules and regulations of the SEC. The Committee will recommend to the Board whether the CD&A should be included in the Company's proxy statement or other applicable SEC filings.

The Compensation Committee will produce an annual report on executive compensation for inclusion in the proxy statement or annual report on Form 10-K as the Compensation Committee Report. The Compensation Committee Report will state whether the Committee reviewed and discussed with management the CD&A, and whether, based on such review and discussion, the Committee recommended to the Board that the CD&A be included in the Company's proxy statement or other applicable SEC filing.

The Committee will review the Company's compensation programs and plans, including, but not limited to, the Company's incentive compensation, equity-based, retirement, and other benefit plans and recommend changes in such plans to the Board. The Committee will have and will exercise all the authority of the Board with respect to the administration of such plans, including designation of the employees to whom the awards are to be granted, the amount of the award or equity to be granted, and the terms and conditions applicable to each award or grant, subject to the provisions of each plan. In reviewing and making recommendations regarding incentive compensation plans and equity-based plans, including whether to adopt, amend or terminate any such plans, the Committee will consider the results of the most recent Say on Pay Vote.

The Committee will have the authority, to the extent it deems necessary or appropriate, to retain, obtain the advice of, and terminate any compensation consultant to assist in the evaluation of executive officer compensation. The Committee will also have the authority to obtain advice and assistance from internal or external legal, accounting, or other advisors. The Company will provide for appropriate funding, as determined by the Committee, for payment of compensation

to any such consultants or advisors employed by the Committee. However, the Committee will not be required to implement or act consistently with the advice or recommendations of its compensation consultant, legal counsel or other advisor, and the authority granted in this charter will not affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties under this charter.

The Committee will evaluate whether any compensation consultant retained or to be retained by it has any conflict of interest in accordance with Item 407(e)(3)(iv) of Regulation S-K. Any compensation consultant retained by the Committee to assist with its responsibilities relating to executive compensation will not be retained by the Company for any compensation or other human resource matters.

The Committee will consider such other matters as may be delegated to it by the Board from time to time and make recommendations to the Board.

The Committee will review this charter annually for adequacy and recommend to the Board any necessary changes.

IV. Performance Review

The Committee will conduct an annual performance evaluation of itself and will present the results of the evaluation to the Board. The Committee will conduct this evaluation in such manner as it deems appropriate.