

STG GROUP, INC.
AMENDED AND RESTATED
CHARTER OF THE COMPENSATION COMMITTEE
OF THE BOARD OF DIRECTORS

I. PURPOSE

The purpose of the Compensation Committee of STG Group, Inc. (the “Company”) is to carry out the responsibilities of the Company’s Board of Directors (the “Board”) with regard to: (i) the compensation of the Company’s Chief Executive Officer (the “CEO”) and the Corporation’s other executive officers; (ii) oversight of the general compensation philosophy of the Company; (iii) the adoption and administration of policies and plans governing the Company’s compensation and equity programs; and (iv) reporting on executive compensation to the Company’s stockholders.

II. COMPOSITION OF THE COMMITTEE

The Committee shall consist of three or more directors, as determined from time to time by the Board. Each member of the Committee shall be independent in accordance with the requirements of Rule 10C-1(b)(1) of the Securities Exchange Act of 1934 and the rules of The Nasdaq Stock Market, Inc. (“Nasdaq”), and shall meet the additional composition requirements of Nasdaq. At least two members of the Committee must qualify as “non-employee directors” for the purposes of Rule 16b-3 under the Exchange Act, and as “outside directors” for the purposes of Section 162(m) of the Internal Revenue Code, as amended.

The chairperson of the Committee shall be designated by the Board, *provided* that if the Board does not so designate a chairperson, the members of the Committee, by a majority vote, may designate a chairperson.

Any vacancy on the Committee shall be filled by majority vote of the Board. No member of the Committee shall be removed except by majority vote of the Board.

III. MEETINGS OF THE COMMITTEE

The Committee shall meet as often as it determines necessary to carry out its duties and responsibilities, but no less frequently than four times each year. The Committee shall report regularly to the Board regarding its actions and make recommendations to the Board as appropriate. 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 chairperson may invite other members of the Board, representatives of management and/or outside advisors to attend all or a portion of any meeting. The Committee shall meet in executive session, without representatives of management present, as may be

deemed appropriate, and in no case shall the CEO be present during deliberation or voting on the CEO's compensation.

IV. AUTHORITY OF THE COMMITTEE

The Committee shall have the authority to:

- (a) Interpret the Company's compensation and equity plans and establish the rules for their implementation and administration consistent with any authority reserved by the Board.
- (b) Approve or take any actions necessary to do or to direct any and all other acts as the Committee deems necessary, appropriate or in furtherance of carrying out the responsibilities of the Committee enumerated below.
- (c) In its sole discretion, select, retain, terminate, and obtain the advice of any advisor, outside counsel, or compensation consultants (collectively, "Advisors") as it considers necessary to assist with the execution of its duties and responsibilities as set forth in this Charter. The Committee shall set the compensation, including fees and expenses, associated with work performed by such Advisors with funding provided by the Company. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any Advisors. Prior to retaining or obtaining the advice of any Advisor, the Committee will review and assess the independence of such Advisor in accordance with, and taking into consideration the factors set forth in, Rule 10C-1(b)(4) of the Exchange Act and the Committee shall 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 shall not be retained by the Company for any compensation or other human resource matters.
- (d) Seek and obtain any information it requires from the Company's employees and Advisors.
- (e) Delegate specific Committee responsibilities to one or more individual Committee members, to a subcommittee, or to one or more members of senior management, to the extent permitted by this Charter, law, regulation, listing standards, and the Bylaws of the Company.

V. RESPONSIBILITIES OF THE COMMITTEE

The Committee shall have the following responsibilities:

- (a) Review the competitiveness of the Company's executive compensation programs with regard to:
 - a. The attraction and retention of corporate officers and executives and key employees (the "Executives");

- b. The motivation of Executives to achieve the Company's business objectives, and;
 - c. The alignment of the interests of Executives with the long-term interests of the Company's shareholders.
- (b) Periodically monitor trends and best practices in management compensation and benefits, review existing plans and oversee revisions of existing plans and the development of new plans and, if Board approval is required, to make a recommendation to the Board with regard to such revision or development.
- (c) Establish the annual and long-term performance criteria, goals and maximum individual awards for Executives of the Company before or as near as practical to the beginning of each performance period and certify results achieved at the end of each performance period where required for the purposes of deducting compensation under Section 162(m) of the IRC.
- (d) Review and approve objectives, evaluate performance against objectives and review and provide recommendations with respect to the compensation package (as defined in item 5 below) of the CEO. The Committee shall base its recommendations regarding CEO compensation on such factors as it deems relevant. These factors may include, without limitation:
- a. CEO performance relative to personal objectives;
 - b. Company performance and overall shareholder returns relative to peer companies and prior years, taking into account economic and business conditions;
 - c. The CEO's compensation in prior years; and
 - d. Review of compensation practices at companies similar to the Company.
- (e) Review and approve the compensation packages of other Executives of the Company, including, but not limited to:
- a. Base salary;
 - b. Annual and long-term incentive awards of cash and equity;
 - c. Perquisites and benefits;
 - d. Agreements concerning employment, severance and change in control.
- (f) Review matters of succession planning, organization development and other major human resource planning issues and, as deemed appropriate by the Committee, make recommendations to the Board.
- (g) Review, discuss with management and approve any required compensation report, compensation discussion and analysis or similar disclosure to be included in the Company's annual proxy statement or annual report on Form 10-K in compliance with applicable rules and regulations of the Securities and Exchange Commission and the relevant listing authority.

- (h) Review and make recommendation to the Board concerning long-term incentive compensation plans, including the use of equity-based plans for employees, management, and Executives of the Company. Except as otherwise determined by the Board, the Committee will act on behalf of the Board as the “Committee” established to administer equity-based plans and, as such, will discharge any responsibilities imposed on the Committee under those plans, including making and authorizing grants, in accordance with the terms of those plans.
- (i) Periodically monitor trends and best practices relating to the compensation of non-employee directors, review existing plans and oversee revisions of existing plans and the development of new plans, such revisions and development to be recommended to the Board, as the Committee deem appropriate.
- (j) Periodically evaluate the Committee’s performance.
- (k) Review and reassess the adequacy of this Charter at least annually, and recommend to the Board appropriate changes to the Charter.

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