

**ALJ REGIONAL HOLDINGS, INC.  
COMPENSATION, NOMINATING AND CORPORATE GOVERNANCE COMMITTEE  
CHARTER**

**(as adopted by the Board of Directors on December 18, 2020)**

**I. Authority and Purpose**

The Compensation, Nominating and Corporate Governance Committee (the “**Committee**”) is appointed by the Board of Directors (the “**Board**”) of ALJ Regional Holdings, Inc. (the “**Company**”). The primary functions of the Committee are to (i) assist the Board in identifying individuals qualified to become Board members, consistent with criteria approved by the Board, (ii) recommend to the Board the director nominees for the annual meeting of stockholders, (iii) recommend to the Board the composition of the Board’s committees, (iv) oversee the evaluation of the Board and management and to develop and recommend to the Board and implement a set of corporate governance principals and procedures applicable to the Company and (v) to develop and implement the Company’s overall compensation philosophy, including approving, reviewing and monitoring compensation strategies, plan design, benefit programs, guidelines and practices as they relate to senior management employees and the total compensation program and terms of employment for the Company’s employees. The Committee shall undertake those specific duties and responsibilities listed below and such other duties as the Board may from time to time prescribe. All powers of the Committee are subject to the restrictions designated in the Company’s Bylaws and by applicable law.

**II. Committee Membership**

The Committee shall consist of no fewer than three members. Each member of the Committee shall meet the independence requirements of The Nasdaq Stock Market, Inc. Marketplace Rules (the “**Nasdaq Rules**”), including the additional independence requirements specific to compensation committee membership, the definition of a “Non-employee Director” under Rule 16b-3 under the Securities Exchange Act of 1934, as amended, the requirements of Section 162(m) of the Internal Revenue Code of 1986 (as amended) for “outside directors,” any other regulatory requirements, and the standards established by the Board from time to time.

Committee members shall be elected by the Board at the annual meeting of the Board. Committee members may be removed at any time by vote of the Board. The Board shall elect successors to Committee members that have been removed from or otherwise ceased to serve on the Committee.

**III. Structure and Meetings**

The Committee shall conduct its business in accordance with this Charter, the Company’s Bylaws and any direction by the whole Board.

The Committee chairperson shall be designated by the Board, or, if it does not do so, the Committee members shall elect a chairperson by a vote of the majority of the full Committee.

The Committee will meet regularly. The Committee may establish its own schedule, which it will provide to the Board in advance. The chairperson or a majority of the members of the Committee may call meetings of the Committee upon such notice as is required for special Board meetings in accordance with the Company's Bylaws. A majority of the members of the Committee, but not less than two (2) members, shall constitute a quorum for the transaction of business. Unless the Committee by resolution determines otherwise, any action required or permitted to be taken by the Committee may be taken without a meeting if all members of the Committee consent thereto in writing and the writing or writings are filed with the minutes of the proceedings of the Committee. As necessary or desirable, the chairperson of the Committee may require that any director, officer or employee of the Company, or other persons whose advice and counsel are sought by the Committee, be present at meetings of the Committee. Members of the Committee may participate in a meeting through use of conference telephone or similar communications equipment, so long as all members participating in such meeting can hear one another, and such participation shall constitute presence at such meeting.

The Committee chairperson will preside at each meeting and, in consultation with the other members of the Committee, will set the frequency and length of each meeting and the agenda of items to be addressed at each meeting. The chairperson of the Committee shall ensure that the agenda for each meeting is circulated to each Committee member in advance of the meeting. The chairperson of the Committee (or other Committee member designated by the chairperson or the Committee in the chairperson's absence) shall regularly report to the full Board on the Committee's proceedings and any actions that it takes. The Committee will maintain written minutes of its meetings, which minutes will be maintained with the books and records of the Company.

#### **IV. Duties and Responsibilities**

The Committee shall:

##### **A. Corporate Governance Guidelines.**

1. Develop and recommend to the Board and implement a set of corporate governance principles applicable to the Company.
2. Review and reassess the adequacy of such corporate governance principles on a periodic basis; and recommend to the Board any changes the Committee deems appropriate.
3. Make recommendations to the Board regarding any non-compliance with, waivers to or alteration of, the corporate governance principles.

##### **B. Review of Board Composition and Performance.**

1. Oversee the evaluation of the Board and management on a periodic basis. Periodic reviews of the Chief Executive Officer's performance will be chaired by the presiding director with all outside directors participating and with input from inside directors as deemed appropriate.

2. Conduct periodic reviews of each director's independence and make recommendations to the Board based on its findings.
3. Assess the Board's composition on a periodic basis, including size of the Board, diversity, age, skills and experience in the context of the needs of the Board.
4. Advise the Board on member qualifications for each Board committee, committee member appointments and removals, committee structure and operations (including authority to delegate to subcommittees) and committee reporting to the Board.
5. Identify and screen individuals qualified to become Board members, consistent with criteria approved by the Board, and recommend that the Board select the director nominees for the next annual meeting of stockholders.
6. Develop a pool of potential director candidates for consideration in the event of a vacancy on the Board.
7. Oversee the periodic Board performance evaluation process, including conducting surveys of director observations, suggestions and preferences.
8. Review on a periodic basis director compensation and benefits.

**C. Executive Officers.**

1. Advise the Board on candidates for the position of Chairman of the Board and Chief Executive Officer, and conduct such investigation of those candidates as the Committee and the Board may deem appropriate.
2. Advise the Board on possible candidates to fill other executive offices of the Company and conduct such investigation of those candidates as the Committee and the Board may deem appropriate.
3. All outside directors shall participate in reviewing periodically with the Chairman of the Board and Chief Executive Officer the succession plans relating to positions held by elected corporate officers and to make recommendations to the Board with respect to the selection of individuals to occupy these positions.

**D. Compensation Guidelines**

1. Periodically review and approve corporate goals and objectives relevant to Chief Executive Officer compensation, evaluate the Chief Executive Officer's performance in light of those goals and objectives and have sole authority to determine and approve the Chief Executive Officer's compensation level based on this evaluation. During voting or deliberations on the Chief Executive Officer's compensation, the Chief Executive Officer may not be present.

2. Periodically review and make recommendations to the Board with respect to non-Chief Executive Officer executive officer compensation.
3. Administer the Company's incentive compensation plans and equity-based plans as in effect and as adopted from time to time by the Board.
4. Approve guidelines for senior management salary, incentive, stock option, benefit and other compensation levels; approve any stock option award or any other type of award as may be required for complying with any tax, securities or other regulatory requirement, or otherwise determined to be appropriate or desirable by the Committee or Board.
5. If required, consider the results of shareholder advisory votes on executive compensation (say-on-pay) and the frequency of such votes.
6. Monitor the administration of compensation plans and supporting systems and processes to ensure compliance with established philosophies, strategies, principles, objectives and guidelines.

#### **E. General**

1. Perform such other functions and have such other powers consistent with this Charter, the Company's Bylaws and governing law as the Committee or the Board may deem appropriate.

#### **V. Performance Evaluation**

The Committee shall periodically review and assess the adequacy of this Charter and recommend any proposed changes to the Board for approval. The Committee shall also perform a periodic evaluation of its own performance.

#### **VI. Committee Resources**

The Committee shall have the sole authority, in its discretion, to retain or obtain the advice of, and to terminate, any consultant, independent legal counsel or other adviser, but only after taking into consideration all factors relevant to such consultant's, legal counsel's or other adviser's independence from management, including those specified in the Nasdaq Rules. The Committee shall have the sole authority and be directly responsible for the appointment, compensation, retention terms and oversight of the work of any consultant, independent legal counsel or other adviser retained by the Committee, including the sole authority to retain and terminate any search firm to be used to identify director candidates and to approve such firm's fees and other retention terms. The Committee may request any officer or employee of the Company or the Company's outside counsel to attend a Committee meeting or to meet with any members of, or consultants to, the Committee. The Committee shall receive appropriate funding, as determined by the Committee, from the Company for payment of (A) compensation to any advisor employed by the Committee; and (B) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties. The Committee may form and delegate authority to subcommittees when appropriate.