

**INNOVATE CORP.**  
**CHARTER OF THE COMPENSATION COMMITTEE OF**  
**THE BOARD OF DIRECTORS**

**Purpose**

The purpose of the Compensation Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of INNOVATE Corp., a Delaware corporation (the “**Company**”), shall be to (i) approve the type and level of compensation for the Chief Executive Officer of the Company and other executive officers of the Company, and, upon consideration of the recommendations of the Chief Executive Officer, to approve the type and level of aggregate compensation for the other key employees and management of the Company, (ii) to review the performance of the Chief Executive Officer of the Company, (iii) to produce an annual report on executive compensation for inclusion in the Company’s proxy statement in accordance with applicable rules and regulations, (iv) to review, approve and oversee the administration of any equity incentive plan, and (v) to perform such other functions as may be deemed necessary or convenient in the efficient and lawful discharge of the foregoing or as described below.

**Composition**

The Committee shall be comprised of one (1) or more members of the Board, as determined from time to time by the Board.

Each member of the Committee shall satisfy the independence requirements applicable to directors (a) of the New York Stock Exchange (or such securities exchange on which the Company’s securities are listed for trading from time to time, the “**Exchange**”) and (b) that the Board shall in its discretion determine, including that such director does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director, in each case when required by the rules (including any applicable grace period following initial listing of the Company’s securities) of the Exchange. In determining whether a director is independent for purposes of service on the Committee pursuant to the foregoing, the Board and the Nominating and Governance Committee shall consider all factors specifically relevant to determining whether such director has a relationship to the Company which is material to such director’s ability to be independent from management in connection with such director’s duties as a Committee member, including but not limited to (i) the source of compensation of the director (other than standard director fees), including any consulting, advisory or other compensatory fee paid by the Company, a subsidiary of the Company or any affiliate thereof to the director; and (ii) whether the director is affiliated with the Company, a subsidiary of the Company or an affiliate of a subsidiary of the Company.

In addition, each member of the Committee shall also satisfy any other legal requirements relevant to the proper administration of the Company’s compensation plans, including qualification as a “Non-Employee Director” under Rule 16b-3 of the Securities Exchange Act of

1934, as amended, and qualification as an “outside director” within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended.

Failure to comply with the foregoing membership requirements shall not affect the validity of any action taken by the Committee.

The members of the Committee shall be appointed by the Board on the recommendation of the Nominating and Governance Committee of the Board, and shall serve for such terms as the Board may determine, or until such member’s successor shall have been duly appointed, or until his or her earlier death or resignation or removal from the Board or the Committee. The Board may remove any member from the Committee at any time with or without cause. Unless a Chairman of the Committee is appointed by the Board, the Committee may designate a Chairman of the Committee by majority vote of the Committee. The Chairman (or, in his or her absence, a member designated by the Committee) shall preside at all meetings of the Committee.

### **Statement of Philosophy**

The policy of the Committee is to create a competitive compensation structure that will attract, retain, and motivate skilled and professional employees based on the Company’s overall results.

### **Responsibilities**

The Committee shall have the full power and authority to carry out the following responsibilities:

1. Establish and periodically review the Company’s general compensation philosophy and oversee the development and implementation of compensation programs.
2. Administer the Company’s stock and equity incentive plans (collectively, the “*Plans*”); such administrative power and functions shall include (a) approving, as appropriate, individual and aggregate option grants and restricted stock or other Plan awards which shall satisfy all the applicable terms of the applicable Plan as in effect at the time of grant, (b) interpreting the Plans, (c) determining rules and regulations relating to the Plans, (d) modifying or canceling existing grants or awards, (e) imposing limitations, restrictions and conditions upon any grant or award as the Committee deems necessary or advisable and (f) determining performance targets as necessary under any existing or future equity incentive grants.
3. Administer the Company’s Clawback Policy.
4. Evaluate annually and establish compensation of the Chief Executive Officer, including, but not limited to, annual salary, bonus, equity incentive grants under the Plans and other direct or indirect benefits and set corporate goals and objectives for the Chief Executive Officer to achieve in order to receive certain aspects of such compensation, and to review annually the employment contract of the Chief Executive Officer, if any.
5. After consideration of the recommendation of the Chief Executive Officer, establish the compensation for other key employees and executives of the Company, including,

but not limited to, annual salary, bonus, equity incentive grants under the Plans and other direct or indirect benefits and set corporate goals and objectives for such employees to achieve in order to receive certain aspects of such compensation, and to review annually the employment contract of any executive officer.

6. Review and approve, or recommend to the Board for approval, where appropriate, for executive officers of the Company (a) any new employment or post-employment consulting contracts, including any severance arrangements or change in control and similar agreements/provisions, (b) any amendments to any such executive's employment agreement, including any severance arrangements or change in control and similar agreements/provisions, and any amendments, supplements or waivers to the foregoing agreements, in each case as, when and if deemed necessary or advisable, and (c) any perquisites or special or supplemental benefits.

7. Review on a periodic basis the operation of the Company's executive compensation programs to determine whether they are properly coordinated and competitive in the marketplace and establish and periodically review policies for the administration of executive compensation programs.

8. Evaluate, and recommend for the approval of the Board, the appropriate level of compensation for Board and committee service by non-employee directors of the Company, as well as other director compensation policies and programs. The Committee may recommend, and the Board may approve, additional compensation for non-employee directors who serve on specific committees of the Board, where the Board determines that such additional compensation is appropriate to reflect the additional responsibilities associated with service on such committees.

9. Have the sole authority to select, retain and terminate any compensation consultant, independent legal counsel or other advisor (an "**Advisor**") to be used to assist in the evaluation of director, Chief Executive Officer or other executive officer compensation and to approve the Advisor's fees and other retention terms, of which the Company will be responsible for payment. The Committee shall be directly responsible for the oversight of the work of any Advisor. When selecting an Advisor (other than in-house legal counsel or any Advisor whose role is limited to the activities for which no disclosure would be required under Item 407(e)(3)(iii) of Regulation S-K), the Committee shall consider (a) the provision of other services to the Company by the person that employs the Advisor (the "**Advisor Employer**"); (b) the amount of fees received from the Company by the Advisor Employer as a percentage of the total Advisor Employer's revenue; (c) the Advisor Employer's policies and procedures that are designed to prevent conflicts of interest; (d) any business or personal relationship of the Advisor or the Advisor Employer with a member of the Committee; (e) any stock of the Company owned by the Advisor; and (f) any business or personal relationship of the Advisor or the Advisor Employer with an executive officer of the Company. The Committee is not, however, required to implement or otherwise act consistently with the advice of Advisors, and the authority granted in this paragraph does not affect the ability or obligation of the Committee to exercise its own judgement.

10. Review all material elements of the Company's compensation of its executive officers and the most important factors relevant to an analysis of compensation policies and decisions for purposes of the Company preparing its disclosure under Item 402(b) of Regulation S-K, which is known as its Compensation Discussion and Analysis disclosure (the "**CD&A**"). The

Committee shall further assist the Company, its management and counsel in reviewing and confirming the accuracy of the Company's CD&A and, based on such review and discussions, the Committee shall recommend to the Board that the CD&A be included in the Company's annual (or special) meeting proxy statement on Schedule 14A (the "**Proxy Statement**"), or if necessary, the Company's Annual Report on Form 10-K ("**Form 10-K**") (the "**CD&A Recommendation**"). If required pursuant to Item 407 under Regulation S-K, the Committee further shall issue annually a Compensation Committee Report (in addition to the Company's obligation to assist in the preparation of the CD&A disclosure noted above), which shall (a) state that the Committee conducted the CD&A review and made the CD&A Recommendation, as part of the required disclosures pursuant to Item 407(e)(5) of Regulation S-K, and the name of each member of the Committee shall appear below such Compensation Committee Report and (b) be included in the Proxy Statement, or if necessary, the Form 10-K.

11. Oversee the Company's regulatory compliance with respect to compensation matters, including the Company's policies on structuring compensation programs to preserve tax deductibility, and as and when required, establishing performance goals and certifying that performance goals have been obtained for purposes of Section 162(m) of the Internal Revenue Code.

12. Review and assess stockholder say-on-pay voting and consider how compensation policies and decisions should take into account the results of the most recent stockholder vote.

13. Review and assess whether the compensation of the Company's employees (including executive officers) encourages employees to engage in excessive risk, review and discuss the relationship between risk management and compensation policies and practices, and evaluate compensation policies and practices that could mitigate any such risk.

14. Determine stock ownership guidelines, if any, for the Chief Executive Officer, other executive officers and directors, and monitor compliance with any guidelines.

15. Review and assess annually this Charter and the performance of the Committee and obtain the approval of the Board of any recommended changes to the Charter or the Committee. The Committee shall (a) annually review its own performance as compared to the requirements of this Charter, (b) have the authority to investigate all matters brought to its attention with full access to all books, records, facilities, and personnel of the Company for such matters and the power to retain outside professionals for this purpose, all at the expense of the Company and (c) have such other authority and responsibilities as may be assigned to it from time to time by the Board. The Committee shall deliver to the Board a report, which may be oral, setting forth the results of its evaluation, including any recommended amendments to this Charter.

16. Perform such other functions and have such other powers as may be assigned to the Committee under the terms of any of the Plans or any executive compensation plan or that may be necessary or convenient in the efficient discharge of the foregoing.

17. Report to the Board from time to time, or whenever it shall be called upon to do so.

## **Meetings**

The operation of the Committee will be subject to the bylaws of the Company (the “*Bylaws*”), Section 141 of the Delaware General Corporation Law, this Charter and such other guidelines as may be adopted by the Board. The Committee shall meet as often as it determines necessary to carry out its duties and responsibilities, but in any event the Committee shall hold at least one regular meeting per year. The Chief Executive Officer of the Company may attend any meeting of the Committee, except for portions of the meetings where his, her or their presence would be inappropriate, as determined by the Committee.

A majority of the members of the Committee present in person or by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other shall constitute a quorum. The act of a majority of the members of the Committee present and voting at any meeting at which a quorum is present shall be the act of the Committee. Meetings of the Committee may be held upon the call of any member of the Committee. Notice thereof stating the place, date and hour of the meeting shall be given to each member either by mail, addressed to such member at his or her last known post office address at least five (5) days before the meeting or by facsimile or other means of electronic transmission, or given personally or by telephone, at least twenty-four (24) hours before the meeting. The meetings of the Committee may be held either within or without the State of Delaware. Notice of such meeting may be waived by a member in the manner provided in Section 2 of Article VII of the Bylaws (or any provision successor thereto), and attendance of a member at a meeting shall constitute a waiver of notice thereof. Neither the business to be transacted at, nor the purpose of, any meeting need be specified in the notice of such meeting.

## **Delegation of Authority**

The Committee shall have the authority to delegate any of its responsibilities, along with the authority to take action in relation to such responsibilities, to one or more subcommittees as the Committee may deem appropriate in its sole discretion, except to the extent that such delegation is limited by applicable law, regulation or listing standard. The action of any such subcommittee shall be presented to the full Committee at the next scheduled Committee meeting.

## **Minutes**

Minutes of each meeting will be kept and distributed to each member of the Committee, members of the Board who are not members of the Committee and the Secretary of the Company. The Chairman of the Committee will report to the Board from time to time, or whenever so requested by the Board.

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While the members of the Committee have the duties and responsibilities set forth in this Charter, nothing contained in this Charter is intended to create, or should be construed as creating, any responsibility or liability of members of the Committee, except to the extent otherwise provided under applicable federal or state law.