

## Board of Directors Compensation Committee Charter

The Board of Directors (the “Board”) of Envela Corporation, a Nevada corporation (the “Company”), adopted this Compensation Committee Charter (the “Charter”) on August 31, 2012.

### A. MEMBERSHIP

The Compensation Committee (the “Committee”) of the Board shall consist of three or more directors. Each member of the Committee shall be independent in accordance with the provisions of Rule 10C-1 promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) and the rules and regulations of the NYSE MKT or any other securities exchange or system on which the Company’s securities are traded or listed.

Each member of the Committee must qualify as “non-employee directors” for the purposes of Rule 16b-3 promulgated under the Exchange Act, and as “outside directors” for the purposes of Section 162(m) of the Internal Revenue Code, as amended.

The members of the Committee shall be appointed by a majority vote of the full Board at a duly-convened meeting of the Board. The Committee may recommend, and the Board shall designate, one member of the Committee to serve as the Chairman of the Committee (the “Chairman”). If a Chairman is not present at any meeting, the members of the Committee may designate a chairman for such meeting by majority vote of the Committee. The members of the Committee shall serve until their resignation, retirement or removal, or the due appointment and qualification of their successors. The Board may remove any member from the Committee at any time with or without cause. A member may resign from the Committee without resigning from the Board, but a member will cease automatically to be a member of the Committee upon either ceasing to be a member of the Board or ceasing to satisfy the independence standards under Rule 10C-1 promulgated under the Exchange Act, under the rules and regulations of the NYSE MKT or the rules and regulations of any other securities exchange or system on which the Company’s securities are traded or listed. No reduction in the number of members constituting the full Committee will have the effect of shortening the term of any incumbent member.

### B. PURPOSE

The primary purpose of the Committee is to determine, or recommend to the Board for its determination, the compensation of the Company’s chief executive officer (the “CEO”) and the Company’s other executive officers, to ensure that the Company employs ethical compensation standards and that the Company’s executive officers are fairly compensated based upon their performance and contribution to the Company.

### C. DUTIES AND RESPONSIBILITIES

The Committee shall have the following authority and responsibilities:

1. To review and approve annually the corporate goals and objectives applicable to the compensation of the CEO, evaluate at least annually the CEO's performance in light of those goals and objectives, and determine and approve the CEO's compensation level 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. In evaluating and determining CEO compensation, the Committee shall 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.
2. To approve the compensation of all other executive officers. In evaluating and determining executive compensation, the Committee shall consider the results of the most recent Say on Pay Vote.
3. To review and approve incentive compensation plans and equity-based plans (and where appropriate or required, recommend for approval by the stockholders of the Company), which includes the ability to adopt, amend and terminate such plans. The Committee shall also have the authority to administer the Company's incentive compensation plans and equity-based plans, including designation of the individuals 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 approving incentive compensation plans and equity-based plans, including whether to adopt, amend or terminate any such plans, the Committee shall consider the results of the most recent Say on Pay Vote.
4. To review and discuss with management the Company's Compensation Discussion and Analysis ("CD&A") and the related executive compensation information, recommend that the CD&A and related executive compensation information be included in the Company's annual report on Form 10-K and proxy statement and produce the compensation committee report on executive officer compensation required to be included in the Company's proxy statement or annual report on Form 10-K.
5. To review and approve 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.
6. To determine and, if appropriate, establish, stock ownership or retention guidelines for the CEO and other executive officers and monitor compliance with such guidelines.
7. To review all employee benefit plans for the Company, which includes the ability to adopt, amend and terminate such plans; provided, however, that neither the Committee nor any member thereof will be designated as or otherwise act as a fiduciary of any employee benefit plan subject to the Employee Retirement Income Security Act of 1974.
8. To 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.
9. To review and recommend to the Board for approval the frequency with which the Company will conduct Say on Pay Votes, taking into account the results of the most recent stockholder advisory vote on frequency of Say on Pay Votes required by Section

14A of the Exchange Act, and review and approve the stockholder proposals regarding the Say on Pay Vote and the frequency of the Say on Pay Vote to be included in the Company's proxy statement.

10. To review director compensation for service on the Board and Board committees at least once a year and to recommend any changes to the Board.
11. To develop and recommend to the Board for approval a CEO and officer succession plan (the "Succession Plan"), to review the Succession Plan periodically, develop and evaluate potential candidates for CEO and executive positions and recommend to the Board any changes to, and any candidates for succession under, the Succession Plan.

#### D. OUTSIDE ADVISORS

The Committee shall have the authority, in its sole discretion, to select, retain and obtain the advice of one or more compensation consultants as necessary to assist with the execution of its duties and responsibilities as set forth in this Charter. The Committee shall set the compensation, and oversee the work, of the compensation consultant. The Committee shall also have the authority, in its sole discretion, to retain and obtain the advice and assistance of an executive search firm, outside independent counsel and such other advisors as it deems necessary to fulfill its duties and responsibilities under this Charter. The Committee shall set the compensation, and oversee the work, of its executive search firm, outside independent counsel and other advisors. The Committee shall receive appropriate funding from the Company, as determined by the Committee in its capacity as a committee of the Board, for the payment of compensation to its compensation consultants, outside counsel and any other advisors.

The Committee shall determine, in its business judgment, that any compensation consultants, outside counsel or other advisors have no relationship to the Company or any member of the Board or management that would interfere with the exercise of their independent judgment, including but not limited to whether any conflict of interest exists in accordance with Item 407(e)(3)(iv) of Regulation S-K, promulgated under the Securities Act of 1933, as amended. If the compensation consultants, outside counsel or any other advisors provide services to the Company other than in connection with the evaluation of the Company compensation plans and programs, the Committee shall approve the annual amount of aggregate fees permitted for such other services. 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. In retaining the compensation consultant, outside counsel and any other advisors, the Committee will consider independence of such compensation consultant, outside counsel or other advisor in accordance with the factors set forth in Rule 10C-1(b)(4) promulgated under the Exchange Act and the rules and regulations of the NYSE MKT and any other exchange or system on which the Company's securities are traded or listed.

#### E. STRUCTURE AND OPERATIONS

The Board shall designate a member of the Committee as the Chairperson. The Committee shall meet at least four times a year, at such times and places as it deems necessary to fulfill its responsibilities. 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 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.

The Committee shall review this Charter at least annually and recommend any proposed changes to the Board for approval.

#### F. 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. To the extent permitted by applicable law, the Committee also may delegate to management certain of its duties and responsibilities, including with respect to the adoption, amendment, modification or termination of benefit plans and with respect to the grant of stock options or other equity awards under certain stock plans.

#### G. PERFORMANCE EVALUATION

The Committee shall conduct an annual evaluation of the performance of its duties under this charter and shall present the results of the evaluation to the Board. The Committee shall conduct this evaluation in such manner as it deems appropriate.