

**EVER-GLORY INTERNATIONAL GROUP, INC.**  
**BOARD OF DIRECTORS**  
**COMPENSATION COMMITTEE CHARTER**

Adopted March 13, 2008  
Amended December 23, 2013  
Further Amended December 22, 2015

**Responsibilities**

The Compensation Committee of the Board of Directors (the “Board”) of Ever-Glory International Group, Inc. (the “Company”) will be responsible for overseeing and, as appropriate, making recommendations to the Board regarding the annual salaries and other compensation of the Company’s executive officers, the Company’s general employee compensation, and other policies, providing assistance and recommendations with respect to the compensation policies and practices of the Company.

In particular, the Compensation Committee will:

- On an annual basis, without the participation of the Chief Executive Officer, (i) review and approve the corporate goals and objectives with respect to compensation for the Chief Executive Officer, (ii) evaluate the Chief Executive Officer’s performance in light of the established goals and objectives, and (iii) set the Chief Executive Officer’s annual compensation, including salary, bonus, incentive, and equity compensation.
- On an annual basis, review and approve (i) the evaluation process and compensation structure for the Company’s other senior executives, and (ii) the Chief Executive Officer’s evaluation of the performance and his recommendations concerning the annual compensation, including salary, bonus, incentive, and equity compensation, of other company executive officers, and (iii) the recruitment, retention, and severance programs for the Company’s senior executives, and (iv) review the compensation structure for the Board.
- Administer the equity compensation plans of the Company and as appropriate, make recommendations to the Board with respect to executive incentive-compensation plans and equity-based compensation.
- Assist the Board in negotiation with potential candidates for senior officer positions in connection with their compensation packages, including the Chief Executive Officer,.
- Review an annual report on executive compensation for inclusion in the Company’s proxy statement.
- The Committee has the sole authority to retain consultants and advisors as it may deem appropriate in its discretion. The Committee has the sole authority to

approve related fees and other retention terms. The Committee must assess such advisor's independence before retention of such advisors (other than advisors whose role is limited to activities for which no disclosure would be required under Item 407(e)(3)(iii) of Regulation S-K), taking into consideration the following factors:

- (i) whether the compensation consulting firm employing the compensation advisor is providing any other services to the Company;
- (ii) how much the compensation consulting firm who employs the compensation advisor has received in fees from the Company, as a percentage of that person's total revenue;
- (iii) what policies and procedures have been adopted by the compensation consulting firm employing the compensation advisor to prevent conflicts of interest;
- (iv) whether the compensation advisor has any business or personal relationship with a member of the Committee;
- (v) whether the compensation advisor owns any stock of the Company; and
- (vi) whether the compensation advisor or the person employing the advisor has any business or personal relationship with an executive officer of the Company.

### **Compensation Committee Composition**

The Compensation Committee shall be comprised of that number of such number of directors as the Board appoints. The Compensation Committee's chairperson shall be designated by the full Board or, if it does not do so, the Compensation Committee members shall elect a chairperson by vote of a majority of the Compensation Committee.

### **Policies and Procedures**

In carrying out its responsibilities, the Compensation Committee believes its policies and procedures should remain flexible in order to be able to best react to changing conditions, and to help ensure that the corporate accounting and reporting practices of the Company meet or exceed all applicable legal and business standards. However, the Compensation Committee will:

- Investigate any matter brought to its attention within the scope of its duties.
- Obtain the approval of the full Board of this Charter and review and reassess this Charter at least annually or as conditions dictate.
- Meet in an executive session at least annually near the end of the Company's fiscal year, and more frequently as circumstances dictate.

- Be governed by majority vote of its members.
- Report its actions and any recommendations to the Board after each Compensation Committee meeting and review its performance as a committee on an annual basis.

The Compensation Committee shall have the authority to obtain advice and seek assistance from internal and external legal, accounting and other advisors such as consultants and shall determine the extent of funding necessary for the payment of compensation to such persons.