

## **LUMBER LIQUIDATORS HOLDINGS, INC.**

### **COMPENSATION COMMITTEE CHARTER**

#### **I. Statement of Purpose**

The Compensation Committee (the “Committee”) is a standing committee of the Board of Directors (the “Board”) of Lumber Liquidators Holdings, Inc. (the “Company”). The purpose of the Committee is to oversee the policy and programs relating to the compensation of the Company’s Chief Executive Officer (“CEO”) and such other executive officers of the Company as the Board may determine (such executive officers are referred to herein as the “Executive Officers”), including policies governing salaries, incentive compensation and terms and conditions of employment. The Committee shall also prepare a report on executive compensation for inclusion in the Company’s annual proxy statement.

#### **II. Organization**

**A. Charter.** At least annually, this charter shall be reviewed and reassessed by the Committee and any proposed changes shall be recommended to the Board for approval.

**B. Members.** The members of the Committee shall be appointed by the Board on the recommendation of the Nominating and Corporate Governance Committee and all members shall meet the independence requirements of applicable law and the listing standards of the New York Stock Exchange (the “NYSE”), the requirements of an “outside director” for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended, and the requirements of a “non-employee director” pursuant to Section 16b-3 of the Securities Exchange Act of 1934, as amended. Only members of the Board (each a “Director”) shall be eligible to serve as a member of the Committee. The Committee shall be comprised of at least three members. Committee members shall serve at the pleasure of the Board and may be removed by the Board at any time by an affirmative vote of a majority of the Board. The Nominating and Corporate Governance Committee shall recommend and the Board shall appoint a Committee Chairperson.

**C. Meetings.** In order to discharge its responsibilities, the Committee shall meet at least three times each year; additional meetings may be scheduled as required.

**D. Quorum; Action by Committee.** A quorum at any Committee meeting shall be a majority of the members of the Committee. All determinations of the Committee shall be made by a majority of its members present at a meeting duly called and held, except as specifically provided herein. Any decision or determination of the Committee reduced to writing and signed by all of the members of the Committee shall be as effective as if it had been made at a meeting duly called and held.

**E. Agenda, Minutes and Reports.** An agenda, together with materials relating to the subject matter of each meeting, shall be shared with members of the Committee prior to each meeting. Minutes for all meetings of the Committee shall be prepared to document the Committee’s discharge of its responsibilities. The Committee shall make regular reports to the Board.

**F. Attendance of Meetings by Management and Others.** The Committee may meet in executive session with the Committee members and may request, in its discretion, one or more members of management, Directors who are not members of the Committee, or other persons to attend a Committee meeting (or portions thereof) to provide such pertinent information or advice as the Committee may request. The Committee may also request that any officer or other employee of the Company, or any other person, meet with any members of the Committee, or any outside consultants, legal counsel or other advisors retained by the Committee.

**G. Performance Evaluation.** The Committee shall evaluate its performance on an annual basis.

### **III. Responsibilities**

The following shall be the principal responsibilities of the Committee:

**A. Compensation of Chief Executive Officer; Goals and Objectives.** The Committee shall, at least annually, review and approve the Company's goals and objectives relevant to compensation of the CEO, evaluate the CEO's performance in light of those goals and objectives, and determine and approve the CEO's compensation level (including base salary, incentive compensation, equity awards and direct and indirect benefits) based on this evaluation. The Committee's recommendation for the long-term incentive component of the CEO incentive compensation shall take into consideration certain factors including the Company's performance (using such metrics as determined in advance by the Committee), the value of similar incentive awards to chief executive officers at comparable companies, and the awards given to the CEO in past years.

**B. Compensation Levels of Executive Officers other than the Chief Executive Officer.** The Committee shall review and approve, at least annually, the compensation level (including base salary, incentive compensation, equity awards and direct and indirect benefits) of the Executive Officers other than the CEO.

**C. Incentive Compensation.** The Committee shall make recommendations to the Board with respect to the establishment and terms of incentive-compensation and equity-based plans and shall administer such plans, including reviewing the key terms of such plans from time to time.

**D. Risk Assessment.** The Committee shall at least annually (i) review the Company's incentive compensation arrangements to determine whether they encourage excessive risk-taking, review, (ii) discuss the relationship between risk management policies and practices and compensation, and (iii) evaluate compensation policies and procedures that could mitigate any such risk.

**E. Employment Agreements and Post-Service Arrangements.** The Committee shall be responsible for reviewing offers of employment, employment agreements, severance agreements, change in control agreements or provisions, equity grants and other compensation matters for the Executive Officers (collectively referred to herein as the "Compensation Arrangements"), and shall: (i) review and recommend for Board approval the Compensation Arrangements of the CEO; (ii) review and approve the Compensation Arrangements of all

Executive Officers other than the CEO; and (iii) review the Compensation Arrangements of employees identified as potential successors to the Executive Officers, as may be determined by the Board from time to time.

**F. *Evaluation of Compensation Program.*** The Committee shall review on a periodic basis the operation of the Company's overall compensation program to evaluate its coordination and execution.

**G. *Perquisite Policies.*** The Committee shall review periodically the perquisites of the Executive Officers.

**H. *Appointment and Monitoring of Named Fiduciaries.*** With respect to any funded employee benefit plan covering employees of the Company subject to the fiduciary responsibility provisions of the Employee Retirement Income Security Act of 1974, the Committee shall have the authority to appoint and terminate the named fiduciary or named fiduciaries of such plan(s).

**I. *Stock Ownership Guidelines.*** The Committee shall review annually any stock ownership guidelines applicable to the Executive Officers and shall recommend to the Board revisions to such guidelines as appropriate.

**J. *Review of Compensation Discussion and Analysis; Compensation Disclosures; Committee Report.*** The Committee shall: (i) review and discuss with management the Compensation Discussion and Analysis section required to be included in the Company's Annual Report on Form 10-K and annual proxy statement, as well as the related compensation tables and other disclosures with respect to Director and Executive Officer compensation; (ii) determine, based on that review, whether to recommend to the Board that such section be included in such Annual Report and proxy statement; and (iii) furnish the required Compensation Committee report for inclusion in such Annual Report and proxy statement, in accordance with applicable law.

**K. *Advisory Votes on Executive Compensation.*** The Committee shall review and make recommendations to the Board related to the Company's most recent advisory votes on executive compensation matters, including advisory votes on executive compensation and the frequency of those votes.

**L. *Recoupment.*** The Committee shall oversee administration of the Company's clawback policy.

**M. *Access to Records, Consultants and Others.*** The Committee shall have the sole authority and responsibility to engage and terminate any compensation consultant, legal counsel or other advisor to assist in evaluating and determining appropriate compensation levels for the Executive Officers and to approve the terms of any such engagement and the fees of any such consultant, legal counsel or other advisor. The Committee may select a compensation consultant, legal counsel or other advisor only after taking into consideration factors relevant to that person's independence from management of the Company, including any factors prescribed by law or applicable listing standards, and shall be directly responsible for the appointment, compensation and oversight of any such compensation consultant, legal counsel or other advisor. In discharging its responsibilities, the Committee shall have full access to any relevant records of

the Company and may also request that any officer or other employee of the Company, including the Company's senior compensation or human resources executives, the Company's outside counsel or any other person, meet with any members of, or consultants, legal counsel or advisors to, the Committee. The Company shall provide adequate funding, as determined by the Committee, for payment of reasonable compensation to any compensation consultant, legal counsel or other advisor retained by the Committee, as well as necessary or appropriate administrative expenses of the Committee incurred in discharging its responsibilities.

**N. *Delegation.*** The Committee may delegate any of its responsibilities to a subcommittee comprised of one or more members of the Committee.

**O. *Other Duties.*** The Committee shall also carry out such other duties that may be delegated to it by the Board from time to time.

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This charter shall not be construed in a manner that imposes upon the Committee or its members additional duties or responsibilities or a higher standard of conduct or care than that imposed upon directors or committees of boards of directors generally, pursuant to applicable law.

Revised as of September 23, 2020