

Subject: Corporate Governance Committee Charter	Date Issued: September 30, 2009 Date Amended: November 6, 2014 Date Amended: February 16, 2017
Approved by: Board of Directors Date: February 16, 2017	Distribution:

PURPOSE

The primary purposes of the Corporate Governance Committee (the “Committee”) of the Board of Directors (the “Board”) of B. Riley Financial, Inc. (the “Company”) are to:

- identify qualified individuals to become Board members;
- recommend to the Board individuals to be designated as nominees for election as directors at the next annual meeting of shareholders;
- recommend the composition of the Board and its committees;
- monitor the effectiveness of the Board and its committees; and
- develop and recommend to the Board the Corporate Governance Guidelines of the Company (the “Guidelines”).

MEMBERSHIP

The Committee shall be comprised of not less than three members (the “Members”) of the Board. Members of the Committee shall be appointed by the Board and may be removed by the Board at its discretion. All Members shall meet the independence criteria of The Nasdaq Capital Market (“Nasdaq”). The Board shall designate a chairperson of the Committee.

Unless otherwise directed by the Board, each Member shall serve until such Member ceases to serve as a member of the Board, or until his or her successor has been duly appointed by the Board. Members may resign from the Committee at any time without resigning from the Board. Any action duly taken by the Committee shall be valid and effective, whether or not the Members at the time of such action are later determined not to have satisfied the requirements for membership provided herein.

DUTIES AND RESPONSIBILITIES

The Committee will discharge the duties of the Board, to the extent delegated to the Committee, and will approve or make recommendations to the Board with respect to the duties and responsibilities below. These duties are set forth as a guide, with the understanding that the Committee will carry them out in a manner that is appropriate given the Company’s needs and

circumstances. The Committee may engage in other activities, and establish policies and procedures, from time to time as it deems necessary or advisable in implementing this charter (“Charter”).

- The Committee will review the structure of the Board, the structure of its committees, the overall size of the Board, and the number of independent directors and recommend to the Board any changes to the Board’s committee structure and committee functions as the Committee deems advisable.
- The Committee will actively seek individuals qualified to become Board members, including evaluating persons suggested by shareholders or others, and conduct appropriate inquiries into the backgrounds and qualifications of possible nominees.
- The Committee will select and recommend to the Board for nomination or appointment prospective candidates for directors. The Committee will select those candidates whose attributes it believes would be most beneficial to the Company and its shareholders. The Committee will review each candidate’s experience, integrity, competence, diversity, skills, and dedication in the context of the needs of the Board and assess whether the candidate’s qualifications meet the minimum criteria contained in the Guidelines.
- The Committee will recommend to the Board directors to serve as members of each committee after taking into account the desires, experiences, and expertise of individual directors. The Committee will review and recommend committee slates annually and shall recommend additional committee members as needed.
- The Committee will develop and recommend to the Board an annual self-evaluation process for the Board and its committees. The Committee will oversee the annual self-evaluations. The Committee shall evaluate the performance of each director before determining whether to recommend to the Board his or her nomination for an additional term as director.
- The Committee will advise and make recommendations to the Board on matters of corporate governance and all matters pertaining to the role of the Board and the practices and the performance of its directors, including the development of the Guidelines. The Committee shall periodically review and assess the adequacy of the Guidelines and recommend any changes to the Board.
- The Committee will consider possible conflicts of interests of directors and any related party transactions. The Committee shall review the institutional and other affiliations of directors and nominees for any potential conflict of interest problems, and shall make recommendations to the Board with respect to the determination of director independence.
- The Committee will recommend to the Board categorical or other standards for

determining director independence consistent with the requirements of Nasdaq and other legal or regulatory corporate governance requirements, and review and reassess these standards on a periodic basis.

- The Committee will review the qualifications and independence of the members of the Board and its various committees on a periodic basis as well as the composition and size of the Board as a whole and make any recommendations the Committee may deem appropriate from time to time concerning any nominations to, or changes in, the composition or size of the Board and its committees.
- The Committee will oversee the implementation of a continuing education program for all directors, including an orientation program for new directors, and oversee and maintain the program.
- The Committee will periodically consider the adequacy of the Certificate of Incorporation and Bylaws of the Company and recommend to the Board, as conditions dictate, that it propose amendments to the Certificate of Incorporation and Bylaws for consideration by the stockholders.
- The Committee will review and assess the Company's compliance with the corporate governance requirements (other than those falling within the authority of another committee) established by Nasdaq and the Securities and Exchange Commission as applicable to each of the Company and its subsidiaries and controlled affiliates.
- The Committee will review and approve any proposed transaction between the Company and any related party where the potential waiver involves a member of the Company's Audit Committee.

MEETINGS

The Committee will meet at least once annually and as often as necessary to carry out its responsibilities. A majority of the total number of members shall constitute a quorum at any meeting of the Committee, and the act of a majority of the members at any meeting shall be the act of the Committee. Reports of meetings of the Committee shall be made to the Board at its next regularly scheduled meeting following the Committee meeting, accompanied by any recommendations to the Board approved by the Committee.

PERFORMANCE EVALUATION

The Committee shall prepare and provide to the Board an annual performance evaluation of the Committee, including an assessment of the performance of the Committee based on the duties and responsibilities set forth in this Charter and such other matters as the Committee may determine. The evaluation to the Board may take the form of an oral report by the Committee chairperson or any other member of the Committee designated by the Committee to make the report, and shall be undertaken under the supervision of the Committee in accordance with the Guidelines adopted by the Board. The Committee shall review and assess the adequacy of the Charter annually and propose any necessary changes for approval to the Board.

GENERAL

To the extent not inconsistent with any provision of law or applicable compensation or benefit plan, the Committee may delegate any of its duties to subcommittees comprised of at least one Committee member or officer of the Company as the Committee may determine appropriate in its sole discretion. However, no such delegation shall absolve the Committee from its responsibilities under this Charter.

The Committee shall have the resources and authority to discharge its duties and responsibilities under this Charter without Board or other approval. Toward this end, the Committee shall have sole authority to retain and terminate, at the Company's expense, independent counsel, or other advisers including, without limitation, a search firm to assist the Committee in the identification of director candidates, as the Committee deems appropriate and to approve such counsel's or adviser's fees and terms of engagement. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to any such persons employed by the Committee and for ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

The Committee will maintain written minutes of its meetings and copies of its actions by written consent. The minutes and copies of written consent will be filed with the minutes of the meetings of the Board. The Chair will report to the Board from time to time with respect to the activities of the Committee, including on significant matters related to the Committee's responsibilities and the Committee's deliberations and actions.

If any term of this Charter conflicts with any term of the Company's Certificate of Incorporation or Bylaws, the terms of the Certificate of Incorporation or the Bylaws, as the case may be, shall control.

This Charter will be made available on the Company's web site.