



Charter of DLH Management Resources and Compensation Committee

Date/Rev Nov 2013

I. PURPOSE

The purpose of the Management Resources and Compensation Committee (the "Committee") of the Board of Directors (the "Board") of DLH Holdings Corp. (the "Company") is to discharge the Board's responsibilities relating to executive compensation and to review and make recommendations to the Board regarding employee benefit policies and programs, incentive compensation plans and equity-based plans, director compensation and succession planning for the Company's executive team.

II. COMMITTEE MEMBERSHIP

The Committee will consist of not less than two directors, each of whom will be an "independent director" as required by the rules of The NASDAQ Stock Market, Inc. ("NASDAQ"), a "non-employee director" within the meaning of Rule 16b-3 issued by the Securities and Exchange Commission ("SEC"), and an "outside director" within the meaning of Section 162(m) of the Internal Revenue Code, as amended. Each Committee member will be subject to annual reconfirmation and may be removed by the Board of Directors (the "Board") at any time. Members of the Committee shall be appointed by the Board, and shall serve at the pleasure of the Board and for such term or terms as the Board may determine.

III. COMMITTEE STRUCTURE AND OPERATIONS

The Board shall designate one member of the Committee as its chairperson. The Committee shall meet in person or telephonically at least three times per year at a time and place determined by the Committee chairperson, with further meetings to occur, or actions to be taken by unanimous written consent, when deemed necessary or desirable by the Committee or its chairperson.

Meetings of the Committee shall be called by the Chairman thereof upon not less than 24 hours notice. Notice shall be sufficient if delivered verbally in person or by telephone or in a writing delivered in person, or by mail, courier, fax or electronic transmission. Meetings of the Committee shall be held at such place as the Chairman may designate in the notice. A quorum of the Committee shall consist of a majority of the members of the Committee then constituting the Committee. The Committee shall act and adopt and/or authorize all action by either (i) a majority vote of its members present at a meeting where a quorum is present



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Date/Rev Nov 2013

(unless a greater vote is required by law, rule, regulation, listing standard or the Company's Certificate of Incorporation or Bylaws) or (ii) upon the unanimous written consent of all of the members of the Committee then constituting the Committee. Minutes of each meeting will be duly filed in the Company records.

The Committee may request any officer or employee of the Company or the Company's outside counsel to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee. The Committee shall meet without the presence of the Company's chief executive officer ("CEO") when approving or deliberating on the CEO's compensation but may, in its or their discretion, invite the CEO to be present during the approval of, or deliberations with respect to, compensation for the Other Executive Officers. The Committee shall hold periodic executive sessions without management present.

IV. COMMITTEE DUTIES AND RESPONSIBILITIES

The following are the duties and responsibilities of the Committee:

1. Review and, as appropriate, discuss with Management and the Board the objectives, philosophy/strategy, structure, cost and administration of the Company's executive compensation and employee benefit policies and programs. In making such review, the Committee shall consider peer group compensation comparisons.
2. No less than annually, review and approve, with respect to the CEO and the other officers designated as Section 16 officers for purposes of the Securities Exchange Act of 1934 ("Other Executive Officers"), (a) all elements of compensation, (b) incentive compensation targets, (c) any employment agreements, severance agreements and change in control agreements or provisions, in each case as, when and if appropriate, and (d) any special or supplemental benefits. In making such review with respect to the CEO, the Committee shall consider and approve corporate goals and objectives relevant to the compensation of the CEO and evaluate the performance of the CEO in light of accomplishment of the prior year's goals and objectives. The Committee may consult with the other directors regarding (y) the annual evaluation of the CEO prior to completing such evaluation and (z) the annual compensation plans for the CEO and the Other Executive Officers prior to approving such plans.
3. Make recommendations to the Board with respect to the Company's incentive compensation plans and equity-based plans, including stock option and restricted



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Date/Rev Nov 2013

stock plans, employee stock purchase plans and other major long-term incentive plans, applicable to directors, executives and/or non-executive employees of the Company. Approve (a) individual annual equity-based awards for the CEO and Other Executive Officers and (b) an annual pool of awards for other employees with guidelines for the administration and allocation of such awards.

4. At least once every three years review and make recommendations to the Board regarding the components and amount of Board compensation, including but not limited to the following elements: retainer, meeting fees, committee fees, committee chair fees, equity or stock compensation, benefits and perquisites.
5. Recommend to the Board for its approval a succession plan for the CEO developed by Management and approved by the Committee, addressing the policies and principles for selecting a successor to the CEO, both in an emergency situation and in the ordinary course of business.
6. Review the CEO's recommendations regarding the election of principal officers of the Company and make recommendations to the Board regarding such election.
7. Review programs created and maintained by Management for the development and succession of Other Executive Officers and any other individuals identified by Management or the Committee.
8. Review the establishment, amendment and termination of employee benefits plans, recognizing that certain authority to amend the plans may be delegated to Members of Management in the plans. Review employee benefit plan operations and administration, recognizing that certain authority related to the operation and administration of the plans may have been delegated to members of Management and the Company's Investment Committee.
9. Review compensation practices for incentives that may promote inappropriate risk taking, and any mitigating factors that the Company has or should consider implementing, and provide oversight and assistance, for and among management and the Board, with respect to the analysis as to whether the Company's compensation policies and practices create risks, including risks that are reasonably likely to have a material adverse effect on the Company.
10. The Committee shall review and recommend for approval by the Board how frequently the Company should permit stockholders to have an advisory vote on executive compensation (a say on pay) taking into account the results of stockholder votes on the frequency of say on pay resolutions at the Company. The Committee



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Date/Rev Nov 2013

also shall review the results of say on pay resolutions, including in relation to golden parachutes, if any, and consider whether to make any adjustments to the Company's executive compensation policies and practices.

11. To the extent required by applicable law or regulation, including the rules and standards of the NASDAQ Stock Market (or any other exchange or market on which the Company's securities may be listed for trading), the Committee shall conduct the independence analysis and consider the factors described in Rule 10C-1 promulgated under the Securities Exchange Act of 1934, before retaining compensation consultants, legal, accounting or other experts.
12. Any other duties or responsibilities expressly delegated to the Committee by the Board from time to time relating to the Committee's purpose.

V. COMMITTEE REPORTS

The Committee shall produce the following reports and provide them to the Board:

1. An Annual Report of the Management Resources and Compensation Committee on Executive Compensation for inclusion in the Company's annual proxy statement in accordance with applicable rules and regulations of the Securities and Exchange Commission.
2. An annual evaluation of the Committee to determine whether to recommend to the Board any amendments to the Charter or the composition of the Committee.
3. A summary of the matters discussed, material reviewed and actions taken at each Committee meeting, which shall be presented to the Board at its next meeting.

VI. RESOURCES AND AUTHORITY OF THE COMMITTEE

The Committee shall have the sole authority and at the Company's expense, to retain and terminate any compensation consultant to be used to assist in the evaluation of director, CEO or Other Executive Officer compensation or employee benefit plans, and shall have sole authority to approve the consultant's fees and other retention terms. The Committee shall also have the authority, at the Company's expense, to obtain advice and assistance from internal or external legal, accounting or other experts, advisors and consultants to assist in



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Date/Rev Nov 2013

carrying out its duties and responsibilities, and shall have the sole authority to retain and approve the fees and other retention terms for any external experts, advisors or consultants. To the extent the Committee engages any consultants or legal, accounting or other experts, the Committee shall be directly responsible for the oversight of such advisor's work. The Company shall provide for necessary funding for payment of compensation to the compensation consultants and to any advisors retained by the Committee. The Committee shall have full access to the Company's executives and personnel as necessary to carry out its responsibilities.