

ROCKY SHOES & BOOTS, INC.

COMPENSATION COMMITTEE CHARTER

As adopted March 4, 2004
To be effective as of May 11, 2004

I. Purpose

The purpose of the Compensation Committee (the "Committee") of the Board of Directors (the "Board") of Rocky Shoes & Boots, Inc. (the "Company") is to:

- discharge the Board's responsibilities relating to compensation of the Company's executive officers;
- produce an annual report on executive compensation for inclusion in the Company's annual proxy statement in accordance with the rules and regulations of the Securities and Exchange Commission, The Nasdaq Stock Market, and any other applicable rules and regulations; and
- discharge the Board's responsibilities relating to the administration of the Company's compensation programs and plans, including incentive and stock options plans.

II. Composition and Meetings

The Committee will be comprised of no fewer than three members, each of whom must be:

- an "independent director" as defined by Rule 4200(a)(15) of The Nasdaq Stock Market;
- a "non-employee director" as defined by Rule 16b-3 under the Securities Exchange Act of 1934; and
- an "outside director" as defined by Section 162(m) of the Internal Revenue Code.

The Committee members will be appointed by the Board on the recommendation of the Nominating and Corporate Governance Committee and will serve until their successors are appointed and qualified. Committee members may be replaced by the Board. If a Committee Chair is not designated or present, the members of the Committee will designate a Chair by a majority vote of the Committee membership.

The Committee will meet as often as its members deem necessary to perform the Committee's responsibilities. The Committee may request any officer or employee of the Company, its outside counsel, or independent auditor to attend a meeting of the Committee or to meet with any member of, or consultants to, the Committee. The Committee will make regular reports to the Board on its activities.

The Committee may form and delegate any of its responsibilities to a subcommittee or subcommittees.

III. Authority, Duties and Responsibilities

The Committee will review and approve on an annual basis the corporate goals and objectives with respect to compensation for the chief executive officer. The Committee will evaluate at least once a year the chief executive officer's performance in light of these established goals and objectives and based upon these evaluations will have sole authority to set the chief executive officer's annual compensation, including salary, bonus, incentive, and equity compensation. The chief executive officer may not be present during voting or deliberations of his or her compensation.

The Committee will also review and approve on an annual basis the evaluation process and compensation structure for all of the Company's non-CEO executive officers. The Committee will evaluate the performance of such executive officers and will approve the annual compensation, including salary, bonus, incentive, and equity compensation, for such executive officers. The Company's chief executive officer may be present at the meeting and deliberations on the compensation of the Company's non-CEO executive officers but may not be present at the vote thereon.

The Committee will also review and approve on an annual basis the compensation structure for any other employee of the Company who is a family member of an executive officer or director of the Company. The Committee will evaluate the performance of such family member employees and will approve the annual compensation, including salary, bonus, incentive, and equity compensation, for such family member employees. The Company's chief executive officer may be present at the meeting and deliberations on the compensation of employees who are members of his or her family but may not be present at the vote thereon.

The Compensation Committee will recommend to the Board the compensation for Board members.

The Compensation Committee will produce an annual report on executive compensation for inclusion in the proxy statement as the Compensation Committee Report.

The Committee will review the Company's compensation programs and plans, including, but not limited to, the Company's incentive compensation, retirement, and other benefit plans and recommend changes in such plans to the Board. The Committee will have and will exercise all the authority of the Board with respect to the administration of such plans.

The Committee will have the authority, to the extent it deems necessary or appropriate, to retain and terminate any compensation consultant to assist in the evaluation of executive officer compensation. The Committee will also have the authority to obtain advice and assistance from internal or external legal, accounting, or other advisors. The Company will provide for appropriate funding, as determined by the Committee, for payment of compensation to any such consultants or advisors employed by the Committee.

The Committee will consider such other matters as may be delegated to it by the Board from time to time and make recommendations to the Board.

The Committee will review this charter periodically for adequacy and recommend to the Board any necessary changes.

IV. Performance Review

The Committee will conduct an annual performance evaluation of itself.