

**ALGODON WINES & LUXURY DEVELOPMENT GROUP, INC.
COMPENSATION GUIDELINES**

Adopted March 24, 2015, effective April 15, 2015

Algodon Wines & Luxury Development Group, Inc. (the “Company”) has not established a compensation committee. The Company believes that this is appropriate in light of the NYSE MKT Exchange (“NYSE MKT”) rules on point and based on the fact that the Company remains a smaller reporting company and (as described below) compensation decisions are made by the independent directors. Under the NYSE MKT Rule 805(a), if there is no compensation committee, compensation of the Chief Executive Officer (being Mr. Mathis) must be determined, or recommended to the Board of Directors for determination, by a majority of the independent directors on its Board of Directors. The CEO may not be present during voting or deliberations of his compensation.

In lieu of a formal charter, the Board of Directors of the Company has adopted these guidelines to assist the Board of Directors with its duties and responsibilities in monitoring, approving and disclosing the Company’s compensation philosophies and practices, in accordance with applicable rules and regulations of the U.S. Securities and Exchange Commission (the “SEC”), the Internal Revenue Service and the NYSE MKT.

In carrying out its responsibilities, the Board of Directors believes that these guidelines should remain flexible in order to react to changing business and regulatory requirements.

Independence Requirements

All compensation decisions will be made by a majority of the independent directors who are “non-employee” directors” as such term is defined Rule 16b-3 of the Securities Exchange Act of 1934 (the “Exchange Act”) and not officers or employees of the Company or its subsidiaries and who meet the definition of “independent” as set forth in NYSE MKT Rule 805, and Section 10C of the Exchange Act and the rules and regulations promulgated thereunder. In addition, all independent directors must be “outside directors” for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended.

NYSE MKT Rule 805(c)(1) enhances the independence requirements for directors in connection with compensation decisions by requiring that the directors “consider all factors specifically relevant to determining whether a director has a relationship to the listed company which is material to that director’s ability to be independent from management in connection with the duties of a Compensation Committee member.”

Responsibilities

The independent directors shall have the following authority and responsibilities:

1. The independent directors will meet as often as they deem necessary or appropriate to perform their responsibilities. The independent directors may meet in person or by telephone conference call, and may act by unanimous written consent.
2. The independent directors will make regular reports to the entire Board of Directors and will propose any necessary or appropriate action to the Board of Directors.
3. The independent directors will be directly responsible for establishing annual and long-term performance goals and objectives for the Company's Chief Executive Officer and other executive officers, as well as setting the overall compensation philosophy for the Company. The directors should consider various factors when evaluating and determining the compensation terms and structure of its executive officers, including the following:
 - a. The executive's leadership and operational performance and potential to enhance long-term value to the Company's stockholders;
 - b. The Company's financial resources, results of operations, and financial projections;
 - c. Performance compared to the financial, operational and strategic goals established for the Company;
 - d. The nature, scope and level of the executive's responsibilities;
 - e. Competitive market compensation paid by other companies for similar positions, experience and performance levels; and
 - f. The executive's current salary, the appropriate balance between incentives for long-term and short-term performance.
4. In fulfilling its compensation responsibilities, the independent directors will:
 - a. Review and approve performance goals and objectives relevant to the compensation of the Company's Chief Executive Officer and other executive officers;
 - b. Evaluate the performance of the Chief Executive Officer and other executive officers in light of approved performance goals and objectives;
 - c. Establish the compensation of the Chief Executive Officer and other executive officers based upon the evaluation of the performance of the Chief Executive Officer and the other executive officers;
 - d. Advise the entire Board of Directors on the setting of compensation for senior management whose compensation is not otherwise set by the committee;

- e. Grant options and awards under the Company’s existing stock incentive plan;
- f. Subject to the necessary approval of the Board of Directors and/or the Company’s stockholders, propose the adoption, amendment and termination of any stock option plans, pension and profit sharing plans, stock bonus plans, stock purchase plans, bonus plans, deferred compensation plans and other similar programs (“Compensation Plans”);
- g. Make recommendations to the Board of Directors with respect to the Compensation Plans;
- h. Administer the Compensation Plans in accordance with their terms;
- i. Review and approve any severance or similar termination payments proposed to be made to any current or former executive officer of the Company; and
- j. Review such other compensation matters as the Chief Executive Officer or the Board of Directors of the Company requests.

Company management should be responsible for reviewing the base salary, annual bonus and long-term compensation levels for other Company employees. The entire Board of Directors should be responsible for significant changes to, or adoption, of new employee benefit plans.

Authority and Resources

In discharging its duties, the independent directors shall have the authority to select, retain, terminate and approve the fees and other retention terms of special legal, accounting or other consultants to advise the committee as it deems necessary and appropriate. The independent directors may request any officer or employee of the Company or the Company’s outside counsel to attend any meeting of the independent directors or to meet with any independent directors or consultants thereto; provided, however, that the Chief Executive Officer may not be present during voting deliberations on his or her compensation.