

**CHARTER OF THE  
COMPENSATION COMMITTEE  
OF THE BOARD OF DIRECTORS OF  
PRIORITY TECHNOLOGY HOLDINGS, INC.**

Adopted as of July 25, 2018

**I. PURPOSE OF THE COMMITTEE**

The purposes of the Compensation Committee (the "*Committee*") of the Board of Directors (the "*Board*") of Priority Technology Holdings, Inc. (together with its subsidiaries, the "*Company*") shall be to oversee the Company's compensation and employee benefit plans and practices, including its executive compensation plans, and its incentive-compensation and equity-based plans, to review and discuss with management the Company's compensation discussion and analysis to the extent required by Item 402(b) of Regulation S-K adopted by the Securities and Exchange Commission ("*SEC*") pursuant to the Sarbanes-Oxley Act of 2002 ("*Sarbanes-Oxley*") (such compensation discussion and analysis, the "*CD&A*") to be included in the Company's annual proxy statement or annual report on Form 10-K filed with the SEC; to prepare the Compensation Committee Report as required by the rules of the SEC; and to perform such further functions as may be consistent with this Charter or assigned by applicable law, the Company's charter or bylaws or the Board.

**II. COMPOSITION OF THE COMMITTEE**

The Committee shall consist of two or more directors as determined from time to time by the Board, each of whom shall be qualified to serve on the Committee pursuant to the corporate governance guidelines set forth in the listing rules of the NASDAQ Stock Market (the "*NASDAQ*"), the Securities Exchange Act of 1934, as amended (the "*Exchange Act*"), and any additional requirements that the Board deems appropriate. For so long as the Company shall remain a "Controlled Company", as such term is defined in Rule 5615(c) of the NASDAQ listing rules, the directors serving on the Committee need not qualify as "Independent Directors" as such term is defined in Rule 5605(a)(2) of the NASDAQ listing rules. At such time as the Company no longer qualifies as a "Controlled Company", subject to any applicable phase-in period under the NASDAQ listing rules, each member of the Committee thereafter must:

- (a) qualify as an "Independent Director", as such term is defined in Rule 5605(a)(2) of the NASDAQ listing rules;
- (b) meet the criteria for independence set forth in Rule 10C-1(b)(1) of the Exchange Act; and
- (c) qualify as "non-employee directors" within the meaning of Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended.

In addition, in affirmatively determining the independence of any member of the Committee subsequent to the Company no longer qualifying as a "Controlled Company", the Board must consider all factors specifically relevant to determining whether a director has a relationship to the Company which is material to that director's ability to be independent from management in connection with the duties of a Committee member, including, but not limited to: (i) the source of compensation of such director,

including any consulting, advisory or other compensatory fee paid by the Company to such director; and (ii) whether such director is affiliated with the Company or an affiliate of the Company.

The chairman of the Committee shall be designated by the Board, provided that if the Board does not so designate a chairman, the members of the Committee, by a majority vote, may designate a chairman.

Any vacancy on the Committee shall be filled by majority vote of the Board. No member of the Committee shall be removed except by majority vote of the Board.

### **III. MEETINGS AND PROCEDURES OF THE COMMITTEE**

The Committee shall meet as often as it determines necessary to carry out its duties and responsibilities. The Committee, in its discretion, may ask members of management or others to attend its meetings (or portions thereof) and to provide pertinent information as necessary, provided, that the Chief Executive Officer of the Company may not be present during any portion of a Committee meeting or any setting whatsoever in which any deliberation or voting regarding his or her compensation occurs.

A majority of the members of the Committee present in person or by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other shall constitute a quorum.

The Committee shall maintain minutes of its meetings and records relating to those meetings and shall report regularly to the Board on its activities, as appropriate.

### **IV. SCOPE OF THE DUTIES RESPONSIBILITIES OF THE COMMITTEE AND HOW IT CARRIES OUT ITS DUTIES AND RESPONSIBILITIES**

#### **A. *Executive Compensation***

The Committee shall have the following duties and responsibilities with respect to the Company's executive compensation plans:

(a) To review at least annually the goals and objectives of the Company's executive compensation plans, and amend, or recommend that the Board amend, these goals and objectives if the Committee deems it appropriate.

(b) To review at least annually the Company's executive compensation plans in light of the Company's goals and objectives with respect to such plans, and, if the Committee deems it appropriate, adopt, or recommend to the Board the adoption of, new, or the amendment of existing, executive compensation plans.

(c) To evaluate annually the performance of the Chief Executive Officer in light of the goals and objectives of the Company's executive compensation plans, and, either as a Committee or together with the other independent directors (as directed by the Board), determine and approve the Chief Executive Officer's compensation level based on such evaluation. In determining the long-term incentive component of the Chief Executive Officer's compensation, the Committee shall consider factors as it determines relevant, which may include, for example, the Company's performance and relative stockholder return, the value of similar awards to chief executive officers of comparable companies, and the awards given to the Chief Executive Officer of the Company in past years. The Committee may discuss the Chief Executive Officer's compensation with the Board if it chooses to do so.

(d) To evaluate annually the performance of the other executive officers of the Company in light of the goals and objectives of the Company's executive compensation plans, and either as a Committee or together with the other independent directors (as directed by the Board), determine and approve the compensation of such other executive officers. To the extent that long-term incentive compensation is a component of such executive officer's compensation, the Committee shall consider all relevant factors in determining the appropriate level of such compensation, including the factors applicable with respect to the Chief Executive Officer.

(e) To evaluate annually the appropriate level of compensation for Board and Committee service by non-employee directors.

(f) To review and approve any severance or termination arrangements to be made with any executive officer of the Company.

(g) To administer the Company's incentive-compensation and equity-based compensation plans in accordance with their terms, interpreting all provisions, conditions and limitations of the plans and making factual determinations required for the administration of the plans, as well as performing such other duties and responsibilities as may be assigned to the Board or the Committee under the terms of any such plan.

(h) To review perquisites or other personal benefits to the Company's executive officers and directors and recommend any changes to the Board.

(i) To consider the results of the most recent shareholder advisory vote on executive compensation as required by Regulation 14A under the Securities Exchange Act of 1934, as amended (the "*Exchange Act*") and, to the extent the Committee determines it appropriate to do so, take such results into consideration in connection with the review and approval of executive officer compensation.

(j) To review and discuss with management the Company's CD&A, and based on that review and discussion, to recommend to the Board that the CD&A be included in the Company's annual proxy statement or annual report on Form 10-K, proxy statement on Schedule 14A or information statement on Schedule 14C.

(k) To review compensation arrangements for the Company's employees to evaluate whether incentive and other forms of pay encourage unnecessary or excessive risk taking, and review and discuss, at least annually, the relationship between risk management policies and practices, corporate strategy and the Company's compensation arrangements.

(l) To the extent it deems necessary, review and approve the terms of any compensation "clawback" or similar policy or agreement between the Company and the Company's executive officers or other employees subject to Section 16 of the Exchange Act.

(m) To prepare the Compensation Committee Report in accordance with the rules and regulations of the SEC for inclusion in the Company's annual proxy statement or annual report on Form 10-K.

(n) To oversee regulatory compliance with respect to compensation matters, including overseeing the Company's policies on structuring compensation programs to preserve tax deductibility.

(o) To perform such other functions as assigned by law, the Company's charter or bylaws or the Board.

## ***B. General Compensation and Employee Benefit Plans***

The Committee shall have the following duties and responsibilities with respect to the Company's general compensation and employee benefit plans, including incentive-compensation and equity-based plans:

(a) To review at least annually the goals and objectives of the Company's general compensation plans and other employee benefit plans, including incentive-compensation and equity-based plans, and amend, or recommend that the Board amend, these goals and objectives if the Committee deems it appropriate.

(b) To review at least annually the Company's general compensation plans and other employee benefit plans, including incentive-compensation and equity-based plans, in light of the goals and objectives of these plans, and recommend that the Board amend these plans if the Committee deems it appropriate.

(c) To review all equity-compensation plans to be submitted for stockholder approval under the NASDAQ listing standards, and to review and, in the Committee's sole discretion, approve all equity-compensation plans that are exempt from such stockholder approval requirement.

(d) To perform such duties and responsibilities as may be assigned to the Board or the Committee under the terms of any compensation or other employee benefit plan, including any incentive-compensation or equity-based plan.

## **V. ROLE OF CHIEF EXECUTIVE OFFICER**

The Chief Executive Officer may make, and the Committee may consider, recommendations to the Committee regarding the Company's compensation and employee benefit plans and practices, including its executive compensation plans, its incentive-compensation and equity-based plans with respect to executive officers (other than the Chief Executive Officer) and the Company's director compensation arrangements.

## **VI. DELEGATION OF AUTHORITY**

The Committee may form subcommittees for any purpose that the Committee deems appropriate and may delegate to such subcommittees such power and authority as the Committee deems appropriate; provided, however, that no subcommittee shall consist of fewer than two members; and provided further that the Committee shall not delegate to a subcommittee any power or authority required by any law, regulation or listing standard to be exercised by the Committee as a whole.

## **VII. EVALUATION OF THE COMMITTEE**

The Committee shall, no less frequently than annually, evaluate its performance. In conducting this evaluation, the Committee shall review and reassess the adequacy of this Charter, including whether it appropriately addresses the matters that are or should be within its scope, and shall recommend such changes as it deems necessary or appropriate. The Committee shall address all matters that the Committee considers relevant to its performance, including at least the following: the adequacy, appropriateness and quality of the information and recommendations presented by the Committee to the Board, the manner in which they were discussed or debated, and whether the number and length of meetings of the Committee were adequate for the Committee to complete its work in a thorough and thoughtful manner.

The Committee shall deliver to the Board a report, which may be oral, setting forth the results of its evaluation, including any recommended amendments to this Charter and any recommended changes to the Company's or the Board's policies or procedures.

### **VIII. INVESTIGATIONS AND STUDIES; OUTSIDE ADVISERS**

The Committee may conduct or authorize investigations into or studies of matters within the Committee's scope of responsibilities.

Furthermore: (i) in its capacity as a Committee of the Board, may, in its sole discretion, retain or obtain the advice of a compensation consultant, legal counsel or other adviser; and (ii) the Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, legal counsel or other adviser retained by the Committee; *provided, however*, that nothing in this sentence shall be construed to require the Committee to implement or act consistently with the advice or recommendations of the compensation consultant, independent legal counsel or any other adviser to the Committee or to affect the ability or obligation of a Committee to exercise its own judgment in fulfillment of the duties of the Committee.

The Committee may select a compensation consultant, legal counsel or other adviser to the Committee only after taking into consideration the following:

- (a) The provision of other services to the Company by the person that employs the compensation consultant, legal counsel or other adviser;
- (b) The amount of fees received from the Company by the person that employs the compensation consultant, legal counsel or other adviser, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other adviser;
- (c) The policies and procedures of the person that employs the compensation consultant, legal counsel or other adviser that are designed to prevent conflicts of interest;
- (d) Any business or personal relationship of the compensation consultant, legal counsel or other adviser with a member of the Committee;
- (e) Any stock of the Company owned by the compensation consultant, legal counsel or other adviser; and
- (f) Any business or personal relationship of the compensation consultant, legal counsel, other adviser or the person employing the adviser with an executive officer of the Company.

The Committee shall conduct the independence assessment outlined in this Charter with respect to any compensation consultant, legal counsel or other adviser that provides advice to the Committee, other than in-house legal counsel. However, nothing in this Charter requires an Adviser to be independent, only that the Committee consider the enumerated independence factors before selecting, or receiving advice from, a compensation adviser. The Committee may select, or receive advice from, any compensation adviser they prefer, including ones that are not independent, after considering the six independence factors outlined in the paragraph above.

For purposes of this Charter, the Committee is not required to conduct an independence assessment for a compensation adviser that acts in a role limited to the following activities for which no disclosure is required under Item 407(e)(3)(iii) of Regulation S-K: (a) consulting on any broad-based plan that does not discriminate in scope, terms, or operation, in favor of executive officers or directors of the Company, and that is available generally to all salaried employees; and/or (b) providing information that either is not customized for a particular issuer or that is customized based on parameters that are not developed by the adviser, and about which the adviser does not provide advice.

The Company must provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to a compensation consultant, legal counsel or any other Adviser retained by the Committee.

\* \* \*

While the members of the Committee have the duties and responsibilities set forth in this Charter, nothing contained in this Charter is intended to create, or should be construed as creating, any responsibility or liability of members of the Committee, except to the extent otherwise provided under applicable federal or state law.

The business of the Company is managed under the direction of the Board and the various committees thereof, including the Committee. The basic responsibility of the Committee is to exercise its business judgment in carrying out the responsibilities described in this Charter in a manner the Committee members reasonably believe to be in the best interest of the Company and its stockholders. In fulfilling their responsibilities hereunder, it is recognized that members of the Committee are not expected to assume an active role in the day-to-day operation or management of the Company.