

CHARTER OF THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS

I. Purpose

The purpose of the Compensation Committee (the “Committee”) of the board of directors (the “Board”) of Atlanticus Holdings Corporation (the “Company”) shall be to assist the Board in fulfilling its responsibilities regarding:

- the establishment and maintenance of compensation and benefit plans, policies and programs designed to attract, motivate and retain personnel with the requisite skills and abilities;
- the compensation of the Company’s Chief Executive Officer (the “CEO”), and the Company’s other executive officers, as defined by Rule 3b-7 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”); and
- compliance with the applicable compensation rules, regulations and guidelines of the Securities and Exchange Commission (the “SEC”) and other applicable law and the rules of The NASDAQ Stock Market LLC (“NASDAQ”).

The Committee shall seek to ensure that compensation programs are designed to encourage high performance, promote accountability and assure that employee interests are aligned with the interests of the Company’s shareholders.

II. Structure and Operations

Composition and Qualifications

The Committee shall consist of three directors, each of whom, in the determination of the Board, shall (i) be independent in accordance with the provisions of Rule 10C-1(b)(1) under the Exchange Act, (ii) satisfy the independence requirements under NASDAQ rules, (iii) qualify as a “non-employee director” for the purposes of Rule 16b-3 under the Exchange Act and (iv) qualify as an “outside director” under the regulations promulgated under Section 162(m) of the Internal Revenue Code of 1986, as amended.

Appointment and Removal

The members of the Committee shall be designated by the Board annually and each member shall serve until such member’s successor is duly designated or until such member’s earlier resignation or removal. Any member of the Committee may be removed from the Committee, with or without cause, by a majority vote of the Board.

Unless a Chairperson is designated by the Board, the members of the Committee shall designate a Chairperson by majority vote of the full Committee membership. The Chairperson will chair all sessions of the Committee and set the agendas for Committee meetings.

Delegation to Subcommittees

In fulfilling its responsibilities, the Committee may delegate its responsibilities to a subcommittee of the Committee and, to the extent not expressly reserved to the Committee by the Board or by applicable law, rule or regulation, to any other committee consisting entirely of directors who meet the independence requirements of NASDAQ and the rules and regulations of the SEC.

III. Meetings

The Committee shall ordinarily meet at least two times annually, or more frequently as circumstances dictate. Any member of the Committee may call meetings of the Committee.

Any director of the Company who is not a member of the Committee may attend meetings of the Committee; provided, however, that any director who is not a member of the Committee may not vote on any matter coming before the Committee for a vote. The Committee also may invite to its meetings any member of management of the Company and such other persons as it deems appropriate in order to carry out its responsibilities. However, the Committee shall meet regularly without such persons present, and in all cases the CEO and other officers shall not be present at meetings at which their compensation or performance is discussed or determined.

Except as otherwise provided by the Company's Bylaws, the Committee is governed by the same rules regarding meetings (including meetings in person or by telephone or other similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board.

IV. Responsibilities and Duties

The following functions shall be the common recurring activities of the Committee in carrying out its purpose as set forth in Section I of this Charter. These functions should serve as a guide with the understanding that the Committee may carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal or other conditions. The Committee also shall carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purpose of the Committee outlined in Section I of this Charter.

To fulfill its responsibilities and duties, the Committee shall:

Compensation Philosophy

Determine the Company's compensation philosophy.

Compensation of Executive Officers

- (1) Evaluate at least annually the CEO's performance and determine and approve the CEO's compensation level based on this evaluation. In evaluating and determining the CEO's compensation, the Committee shall consider its subjective evaluation of the CEO's performance, the Company's overall performance, the results of the most recent Say on Pay Vote and other relevant factors. The CEO cannot be present during any voting or deliberations by the Committee on his or her compensation.
- (2) Determine and approve the compensation of all other executive officers. In evaluating and determining the compensation for each executive officer (other than the CEO), the Committee shall consider its subjective evaluation of such executive's performance and responsibilities, the Company's overall performance, the CEO's recommendations, the results of the most recent Say on Pay Vote and other relevant factors.

Compensation of Board Members

Review and approve director compensation for service on the Board and Board committees at least once a year. In evaluating and determining director compensation, the Committee shall consider the legal responsibilities that directors owe to the Company and its shareholders in connection with their service on the Board and committees of the Board, the risks to directors associated with their service and other relevant factors.

Compensation Plans and Arrangements

- (1) Review, approve and, when appropriate, recommend to the Board for approval, incentive compensation plans and equity-based plans, and where appropriate or required, recommend for approval by the shareholders of the Company, which includes the ability to adopt, amend and terminate such plans. The Committee also shall have the authority to administer the Company's incentive compensation plans and equity-based plans, including designation of award recipients, the amount of the award or equity to be granted and the terms and conditions applicable to each award or grant, subject to the provisions of each plan. In reviewing and approving incentive compensation plans and equity-based plans, including whether to adopt, amend or terminate any such plans, the Committee shall

consider, among other relevant factors, the results of the most recent Say on Pay Vote.

- (2) Review, approve and, when appropriate, recommend to the Board for approval, any employment agreements and any severance arrangements or plans, including any benefits to be provided in connection with a change in control, for the CEO and other executive officers, which includes the ability to adopt, amend and terminate such agreements, arrangements or plans.

Other Matters

- (1) Review the Company's incentive compensation arrangements to determine whether they encourage excessive risk-taking, review and discuss at least annually the relationship between risk management policies and practices and compensation, and evaluate compensation policies and practices that could mitigate any such risk.
- (2) Review and recommend to the Board for approval the frequency with which the Company will conduct Say on Pay Votes, taking into account the results of the most recent shareholder advisory vote on frequency of Say on Pay Votes required by Section 14A of the Exchange Act, and review and approve the proposals regarding the Say on Pay Vote and the frequency of the Say on Pay Vote to be included in the Company's proxy statement.

Reports

- (1) Report regularly to the Board (a) following meetings of the Committee, (b) with respect to such other matters as are relevant to the Committee's discharge of its responsibilities and (c) with respect to such recommendations as the Committee may deem appropriate. The report to the Board may take the form of an oral report by the Chair or any other member of the Committee designated by the Committee to make such report.
- (2) Maintain minutes and other records of meetings and activities of the Committee, as appropriate under applicable law.

V. Annual Reviews

The Committee shall perform an evaluation, at least annually, of the performance of the Committee. In addition, the Committee shall review and reassess, at least annually, the adequacy of this Charter and recommend to the Board any improvements to this Charter that the Committee considers necessary or appropriate. The Committee shall conduct such evaluation and reviews in such manner as it deems appropriate.