

NATIONAL HOLDINGS CORPORATION
COMPENSATION COMMITTEE CHARTER
AMENDED AND RESTATED ON FEBRUARY 13, 2019

PURPOSE

The purpose of the Compensation Committee (the “Committee”) of the Board of Directors of National Holdings Corporation (the “Company”) is to assist the Board in fulfilling its oversight responsibilities. The Committee’s primary duties and responsibilities are to:

- oversee the administration of the Company’s executive compensation plans, in particular its incentive compensation and equity-based plans;
- develop and approve total compensation for the Company’s Chief Executive Officer and other executive officers; and
- prepare any report on executive compensation required by the rules and regulations of the Securities and Exchange Commission (the “SEC”).

COMPOSITION

The Committee shall consist of at least three (3) members of the Board of Directors, each of whom shall be “independent” as defined under the rules of the NASDAQ Stock Market, and shall meet any other applicable standards of the Securities Exchange Act of 1934, as amended, and rules and regulations promulgated there under, as they may from time to time be amended. In addition, in affirmatively determining the independence of any director who will serve on the Committee, 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 compensation committee member, including, but not limited to:

- the source of compensation of such director, including any consulting, advisory or other compensatory fee paid by the Company to such director; and
- whether such director is affiliated with the Company, a subsidiary of the Company or an affiliate of a subsidiary of the Company

Additionally, no director may serve on this Committee unless that director (1) is a “non-employee director” for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and (2) satisfies the requirements of an “outside director” for purposes of Section 162(m) of the Internal Revenue Code.

APPOINTMENT AND REMOVAL

The members of the Committee shall be appointed by a majority vote of the Board of Directors and shall serve until such member’s successor is duly elected and qualified or until such

member's earlier resignation or removal. The members of the Committee may be removed, with or without cause, by a majority vote of the Board of Directors. All vacancies on the Committee shall be filled by majority vote of the Board.

CHAIRMAN

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

DELEGATION TO SUBCOMMITTEES

In fulfilling its responsibilities, the Committee shall be entitled to delegate any or all of its responsibilities to a subcommittee of the Committee.

MEETINGS

A majority of the Committee shall constitute a quorum. The Committee shall meet at least annually, or more frequently as circumstances dictate. The Chairman of the Committee or any member of the Committee may call meetings of the Committee. Meetings may be held in person or by telephone or video conference call.

As part of its review and establishment of the performance criteria and compensation of designated key executives, the Committee should meet separately at least on an annual basis with the Chief Executive Officer and any other corporate officers, as it deems appropriate. However, the Committee should also meet from time to time without such officers present, and in all cases, such officers shall not be present at meetings at which their performance and compensation are being discussed and determined.

All non-management directors who are not members of the committee may attend meetings of the Committee, but may not vote. In addition, the Committee may invite to its meetings any director, member of management of the Company, and such other persons as it deems appropriate in order to carry out its responsibilities. The Committee may also exclude from its meetings any persons it deems appropriate in order to carry out its responsibilities.

DUTIES AND RESPONSIBILITIES

The Committee shall carry out the duties and responsibilities set forth below. These functions should serve as a guide with the understanding that the Committee may determine to 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 shall also carry out any other responsibilities and duties delegated to it by the Board of Directors, from time to time, related to the purposes of the Committee outlined in this Charter.

Setting Compensation for Executive Officers and Directors

1. Establish and review the overall compensation philosophy of the Company and oversee the development and implementation of compensation programs.

2. Review and approve the Company's corporate goals and objectives relevant to Chief Executive Officer and other executive officers' compensation, including annual performance objectives.
3. Evaluate the performance of the Chief Executive Officer in light of those goals and objectives and, based on such evaluation, review and approve the annual salary, bonus, stock options, and other benefits, direct and indirect, of the Chief Executive Officer.
4. Evaluate the performance of other executive officers in light of those goals and objectives and, based on such evaluation, review and approve the annual salary, bonus, stock options, and other benefits, direct and indirect, of other executive officers.
5. In determining the long-term incentive component of compensation for the Chief Executive Officer and other executive officers, the Committee should consider the Company's performance and relative shareholder return, the value of similar incentive awards to Chief Executive Officers and other executive officers at comparable companies, and the awards given to the Company's Chief Executive Officer and other executive officers in past years. The Committee is not precluded from approving awards (with the ratification of the Board of Directors) as may be required to comply with applicable tax laws, such as Rule 162(m) of the Internal Revenue Code.
6. In connection with executive compensation programs:
 - review and recommend to the full Board of Directors, or approve, new executive compensation programs;
 - review on a periodic basis the operations of the Company's executive compensation programs to determine whether they are properly coordinated and achieving their intended purposes;
 - establish and periodically review policies for the administration of executive compensation programs; and
 - take steps to modify any executive compensation program that yields payments and benefits that are not reasonably related to executive and corporate performance.
7. Establish and periodically review policies in the area of senior management perquisites.
8. Consider policies and procedures pertaining to expense accounts of senior executives.
9. Review and recommend to the full Board of Directors compensation of directors as well as director's and officer's indemnification and insurance matters.
10. Review and make recommendations to the full Board of Directors, or approve, any contracts or other transactions with current or former executive officers of the Company, including consulting arrangements, employment contracts, change-in-control, severance, or termination arrangements, and loans to employees made or guaranteed by the Company.

Monitoring Incentive and Equity-Based Compensation Plans

11. Review and make recommendations to the Board of Directors with respect to the Company's incentive-compensation plans and equity-based plans, and review the activities of the individuals responsible for administering those plans.
12. Review and approve all equity compensation plans of the Company that are not otherwise subject to the approval of the Company's shareholders.
13. Review and make recommendations to the full Board of Directors, or approve, all awards of shares or share options pursuant to the Company's equity-based plans.
14. Monitor compliance by executives with the rules and guidelines of the Company's equity-based plans.
15. Review and monitor employee pension, profit sharing, and benefit plans.

Advisors

The Committee may also engage compensation consultants, legal counsel or other advisors to facilitate the performance of its functions. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, legal counsel and other advisor retained by the Committee. The Company shall provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to such compensation consultants, legal counsel or any other advisor retained by the Committee. The Committee shall have sole authority to approve related fees and retention terms.

Independence assessment of compensation consultants, legal counsel or other advisors

The Committee may select, or receive advice from, a compensation consultant, legal counsel or other advisor to the Committee, other than in-house legal counsel, only after taking into consideration the following factors:

- the provision of other services to the Company by the person that employs the compensation consultant, legal counsel or other advisor;
- the amount of fees received from the Company by the person that employs the compensation consultant, legal counsel or other advisor, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other advisor;
- the policies and procedures of the person that employs the compensation consultant, legal counsel or other advisor that are designed to prevent conflicts of interest;
- any business or personal relationship of the compensation consultant, legal counsel or other advisor with a member of the Committee;

- any stock of the Company owned by the compensation consultant, legal counsel or other advisor; and any business or personal relationship of the compensation consultant, legal counsel, other advisor or the person employing the advisor with an executive officer of the Company.

Except as otherwise set forth in the rules of the NASDAQ Stock Market, the Committee is required to conduct the independence assessment outlined above with respect to any compensation consultant, legal counsel or other advisor that provides advice to the Committee (other than in-house legal counsel). However, a compensation consultant, legal counsel or other compensation advisor is not required to be independent. The Committee must consider the enumerated independence factors before selecting, or receiving advice from, a compensation advisor. The Committee may select, or receive advice from, any compensation advisor that it prefers, including ones that are not independent, after considering the six independence factors outlined above.

Reports

16. Prepare an annual report on executive compensation for inclusion in the Company's proxy statement in accordance with applicable rules and regulations of the SEC and other applicable regulatory bodies and generally oversee compliance with the compensation reporting requirements of the SEC.
17. Report regularly to the Board of Directors with respect to matters that are relevant to the Committee's discharge of its responsibilities and with respect to such recommendations as the Committee may deem appropriate. The report to the Board of Directors may take the form of an oral report by the Chairman or any other member of the Committee designated by the Committee to make such report.
18. The Committee shall discuss with management periodically, as it deems appropriate, reports from management relating to compensation guarantees and the Company's regulatory compliance with respect to compensation matters. The Committee shall review the Company's policies on the tax deductibility of compensation paid to "covered employees" (as defined by Section 162(m)), and, as and when required, administer plans, establish performance goals and certify that such performance goals have been attained for purposes of Section 162(m).
19. Maintain minutes or other records of meetings and activities of the Committee.

ANNUAL PERFORMANCE EVALUATION

The Committee shall perform a review and evaluation, at least annually, of the performance of the Committee, including by reviewing the compliance of the Committee with this Charter. In addition, the Committee shall review and reassess, at least annually, the adequacy of this Charter and recommend to the Board of Directors any improvements to this Charter that the Committee considers necessary or valuable. The Committee shall conduct such evaluations and reviews in such manner as it deems appropriate.