

# HIGHER ONE HOLDINGS, INC.

## COMPENSATION COMMITTEE CHARTER

Amended and Restated as of April 28, 2011

### I. Statement of Purpose

The Compensation Committee (the “Committee”) is a standing committee of the Board of Directors (the “Board”) of Higher One Holdings, Inc. (the “Company”). The purpose of the Committee is to discharge the responsibility of the Board relating to compensation of the Company’s directors, executive officers (as defined in Rule 3b-7 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) and such other employees as the Committee may determine (together, “management”) and certain other employee benefit matters.

### II. Organization

A. *Charter.* At least annually, this charter shall be reviewed and reassessed by the Committee and any proposed changes shall be submitted to the Board for approval.

B. *Members.* The members of the Committee shall be appointed by the Board and shall meet the independence requirements of applicable law. The Committee shall be comprised of at least three members, who may be removed by the Board. The members of the Committee shall be subject to the following independence requirements and any other independence or similar requirements under applicable law:

- the listing standards of the New York Stock Exchange,
- at least two members of the Committee shall meet the requirements of an “outside director” for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended; and
- at least two of the members of the Committee meet the requirements of a “non-employee director” for purposes of Section 16 of the Exchange Act.

C. *Committee Chairperson.* The Board shall also designate a Committee Chairperson, who may be removed by the Board. The Committee Chairperson shall preside at all meetings of the Committee and perform any duties as may be assigned by the Board from time to time.

D. *Meetings.* In order to discharge its responsibilities, the Committee shall each year establish a schedule of meetings. Additional meetings may be scheduled as required. The Committee may request attendance from management to gather their observations and inputs on certain matters. All meetings of the Committee may be held in person or telephonically. Participation in a meeting telephonically constitutes presence in person at the meeting, except for the purposes of compensating a director for attending meeting, which will be treated in accordance with the Company’s compensation policies and guidelines for director compensation.

E. *Quorum; Action by Committee.* A quorum at any Committee meeting shall be at least two members. Except as specifically provided herein, all determinations of the Committee shall be made by the vote of a majority of its members present at a meeting duly called and held, provided that where only two members are present, any determination of the Committee shall be made by unanimous vote. Any decision or determination of the Committee reduced to writing and signed by all of the members of the Committee shall be fully as effective as if it had been made at a meeting duly called and held. In the event the number of Committee members voting in favor of a proposal and the number of Committee members voting against such proposal are equal, the proposal shall be submitted to a vote of the entire Board.

F. *Agenda, Minutes and Reports.* The Chairperson of the Committee shall be responsible for establishing the agendas for meetings of the Committee. An agenda, together with materials relating to the subject matter of each meeting, shall be sent to members of the Committee prior to each meeting. The Committee shall prepare minutes from its meetings to document the Committee's discharge of its responsibilities. The minutes shall be circulated in draft form to Committee members prior to being finalized, shall be approved at a subsequent meeting of the Committee and shall be distributed periodically to the full Board. The Committee shall make regular reports to the Board.

### III. Responsibilities

The following shall be the principal responsibilities of the Committee:

A. *Goals and Objectives.* The Committee shall review and approve periodically, but no less frequently than annually, the Company's goals and objectives relevant to compensation of the Chief Executive Officer and other management, including the balance between short-term compensation and long-term incentives, shall evaluate the performance of the Chief Executive Officer and other management in light of those goals and objectives, and shall set the compensation level of the Chief Executive Officer and other management based on such evaluation. In evaluating the performance of the Chief Executive Officer and other management, the Committee shall solicit comments from all members of the Board and report annually to the Board on the results of the evaluation. The Chief Executive Officer may not be present during voting or deliberations of his or her own compensation. The Chairperson of the Committee shall be responsible for communicating to the Chief Executive Officer the evaluation of the performance of the Chief Executive Officer and the level of compensation approved for the Chief Executive Officer.

B. *Compensation Levels of the Executive Officers.* The Committee shall establish the compensation level (including base and incentive compensation) and direct and indirect benefits of the Chief Executive Officer and other management. In determining incentive compensation, the Committee shall consider, among other factors it deems appropriate from time to time, the Company's performance and relative stockholder return (or other criteria) during such periods as the Committee may deem appropriate, the value of similar incentive awards to persons holding comparable positions at comparable companies and the awards given to management in prior years.

C. *Incentive Compensation.* The Committee shall make recommendations to the Board with respect to the establishment and terms of incentive-compensation and equity-based plans and shall administer such plans, including determining any awards to be granted to management under any such plan implemented by the Company.

D. *Post-Service Arrangements.* The Committee shall evaluate the post-service (including severance) arrangements and benefits of the Chief Executive Officer and other management, if any, and their reasonableness in light of practices at comparable companies and any benefits received by the Company in connection with such arrangements.

E. *Evaluation of Compensation Program.* The Committee shall review on a periodic basis the operation of the Company's compensation program for all employees to evaluate its coordination and execution and shall recommend to the Board steps to modify compensation programs that provide benefits or payments that are not reasonably related or are disproportionate to the benefits received by the Company. In undertaking this responsibility, the Committee shall take into account factors it deems appropriate from time to time, including the Company's business strategy and risks to the Company and its business implied by such compensation program and arrangements.

F. *Management Perquisite Policies.* The Committee shall establish and review periodically policies with respect to management perquisites.

G. *Director Compensation and Perquisites.* The Committee shall periodically review, and advise the Board with respect to proposed changes in, Board or Committee compensation, as well as director retirement policies and programs and perquisites, if any. In considering director compensation and perquisites, the Committee may take into consideration the relative responsibilities of directors in serving on the Board and its various Committees. The Committee may request that management report to the Committee periodically on the status of the Board's compensation and perquisites in relation to other similarly situated companies. Directors who are Company employees shall not be compensated for their services as directors.

H. *Review of Compensation Discussion and Analysis; Compensation Disclosures; Committee Report.* The Committee shall (i) review the Compensation Discussion and Analysis section proposed for inclusion in the Company's Annual Report on Form 10-K and annual proxy statement and the related tabular and other disclosures about director and executive compensation; (ii) discuss the Compensation Discussion and Analysis section with management and recommend to the Board whether such section should be included in such Annual Report and proxy statement; and (iii) furnish for inclusion in such Annual Report and proxy statement its report with respect to such discussion and recommendation as required by applicable law.

I. *Employee Benefit Plans.* The Committee shall periodically review the Company's welfare, retirement and other employee benefit plans, and make recommendations with respect thereto. With respect to any funded employee benefit plan covering employees of the Company subject to the fiduciary responsibility provisions of the Employee Retirement Income Security Act of 1974, as amended, the Committee shall have the authority to appoint and terminate the named fiduciary or named fiduciaries of such plan and shall monitor their performance, unless such fiduciaries are specified in the constituent plan documents.

J. *Performance Evaluation.* The Committee shall evaluate its performance on an annual basis or such other time period as the Committee shall determine and develop criteria for such evaluation.

K. *Access to Records, Consultants and Others.* In discharging its responsibilities, the Committee shall have access to any relevant records of the Company and shall have the authority to retain outside consultants, legal counsel and other advisers to assist the Committee in fulfilling its duties and responsibilities. The Committee shall have the sole authority and responsibility to engage or terminate such experts, negotiate and approve the fees and other retention terms of such experts to assist it in evaluating and determining appropriate compensation levels for the Chief Executive Officer or other management. The Committee may also request that any officer or other employee of the Company, including the Company's senior compensation or human resources executives, the Company's outside counsel or any other person meet with any members of, or consultants to, the Committee.

L. *Evaluation Senior Management.* The Committee shall evaluate the executive officers of the Company.

M. *Delegation.* The Committee may delegate any of its responsibilities to a subcommittee comprised of one or more members of the Committee and, to the extent necessary or appropriate, to executive officers of the Company, subject to applicable law and New York Stock Exchange requirements.

N. *Other Duties.* The Committee shall also carry out such other duties that may be delegated to it by the Board from time to time.