

## **COMPENSATION COMMITTEE CHARTER**

The Board of Directors (the “Board”) of Park City Group, Inc., a Nevada corporation (the “Company”), approves and adopts the following Compensation Committee Charter to specify the composition, roles and responsibilities of the Compensation Committee. As used in this Charter, (i) “Company” includes the Company and its subsidiaries unless the context otherwise requires, (ii) “AMEX” means the American Stock Exchange, and (iii) “SEC” means the Securities and Exchange Commission.

### **Purpose**

The primary purpose of the Compensation Committee is: (a) to discharge the Board’s responsibilities relating to compensation of the Company’s chief executive officer and other executive officers, (b) establish and review the overall compensation philosophy of the Company; (c) to review the disclosures in Executive Compensation section or regulatory filings; and, (d) produce an annual report on executive compensation for inclusion in the Company’s proxy statement.

### **Composition**

The Compensation Committee shall consist of at least two directors, each of whom shall satisfy the applicable independence requirements of AMEX. In addition, each Committee member shall be a “non-employee director” as defined in Rule 16b-3 under the Securities Exchange Act of 1934 and an “outside director” as defined by Section 162(m) of the Internal Revenue Code.

Compensation Committee members shall be elected annually by the Board at the first Board meeting after the annual meeting of stockholders. The Compensation Committee’s chairperson shall be designated by the Board, or if it does not do so, the Compensation Committee members shall elect a chairperson by vote of a majority of the members of the Compensation Committee.

Vacancies on the Compensation Committee shall be filled by a majority vote of the Board at the next regular meeting of the Board following the occurrence of the vacancy. No member of the Compensation Committee shall be removed except by majority vote of the independent directors of the Board. The Compensation Committee may form and delegate authority to subcommittees when appropriate.

### **Goals and Responsibilities**

The Compensation Committee shall have the power and authority of the Board to perform the following duties and to fulfill the following responsibilities:

- a. review the compensation and performance of executive officers of the Company, and establish their compensation;
- b. review and approve corporate goals and objectives relevant to the compensation of the Chief Executive Office, evaluate the Chief Executive Officer’s performance

in light of these goals and objectives; and establish the Chief Executive Officer's compensation based on this evaluation:

- c. review and approve incentive compensation plans and equity-based plans, and establish criteria for the granting of options to the Company's officers, directors, employees and outside advisors who are eligible under those plans, and review and approve the granting of options in accordance with such criteria;
- d. review and discuss with management the disclosures made in the Executive Compensation section prior to the filing of the Company's annual report on Form 10-K and proxy statement for the annual meeting of stockholders, and recommend to the Board whether the Executive Compensation section should be included in Form 10-K and proxy statement;
- e. produce an annual compensation committee report for inclusion in the Company's proxy statement, in accordance with applicable rules and regulations;
- f. establish and periodically review the Company's general compensation philosophy and objectives and policies for the administration of executive compensation programs, review on a periodic basis the operation of the Company's executive compensation programs to determine whether they are properly coordinated, and review new executive compensation programs;
- g. establish and periodically review management benefits and perquisites, including retirement, change in control and termination benefits;
- h. review director compensation levels and practices, and recommend, from time to time, changes in such compensation levels and practices to the Board with equity ownership in the Company encouraged;
- i. conduct an annual performance evaluation of the Committee;
- j. provide periodic reports on the Committee's activities to the Board and circulate Committee minutes of meetings to all directors;
- k. annually review and reassess the adequacy of this Compensation Committee Charter and recommend any proposed changes to the Board for approval; and
- l. perform any other activities consistent with this Charter, the Company's Bylaws and governing law as the Committee or the Board deem appropriate.

### **Committee Resources**

The Compensation Committee shall have the authority to obtain advice and seek assistance from internal and external legal, accounting, compensation consultants, and other advisors to be used to evaluate director, CEO or senior officer compensation, including sole authority to approve the advisor's fees and other retention terms. The Committee shall have sole authority to retain and terminate any advisor retained by them.

## **Disclosure of Charter**

This Charter will be made available on the Company's Website at [www.parkcitygroup.com](http://www.parkcitygroup.com).