

# BOTTOMLINE TECHNOLOGIES (DE), INC.

## LEADERSHIP DEVELOPMENT AND COMPENSATION COMMITTEE CHARTER

### A. Purpose

The purpose of the Leadership Development and Compensation Committee (the “Committee”) is to assist the Board of Directors in the discharge of its responsibilities relating to compensation of the Company’s executive officers and development of its senior leadership.

### B. Structure and Membership

1. Number. Except as otherwise permitted by the applicable Nasdaq rules, the Committee shall consist of at least three members of the Board of Directors.
2. Independence. Except as otherwise permitted by the applicable Nasdaq rules, each member of the Committee shall be an independent director as defined by the applicable Nasdaq rules. In addition, in affirmatively determining the independence of any director who will serve on the Committee, the Board of Directors shall 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: (i) the source of compensation of the director, including any director, consulting, advisory or other compensatory fee paid by the Company to the director; and (ii) whether the director is affiliated with the Company, a subsidiary of the Company or an affiliate of a subsidiary of the Company.
3. Chair. Unless the Board of Directors elects a Chair of the Committee, the Committee shall elect a Chair by majority vote.
4. Compensation. The compensation of Committee members shall be as determined by the Board of Directors.
5. Selection and Removal. Members of the Committee shall be appointed by the Board of Directors, upon the recommendation of the Nominations and Corporate Governance Committee. The Board of Directors may remove members of the Committee from such Committee, with or without cause.

## **C. Authority and Responsibilities**

### **General**

The Committee shall discharge its responsibilities, and shall assess the information provided to it by the Company's management and others, in accordance with its business judgment.

### **Leadership Development**

The Committee shall ensure that the Company attracts, motivates, retains and develops the leadership talent necessary to meet the Company's current and future growth and strategic objectives. The Committee shall ensure that the Company's compensation structure and other programs align with this objective.

### **Compensation Matters**

1. Executive Officer Compensation. The Committee shall review and approve, or recommend for approval by the Board of Directors, the compensation of the Company's Chief Executive Officer (the "CEO") and the Company's other executive officers, including salary, bonus and incentive compensation levels; deferred compensation; executive perquisites; equity compensation (including awards to induce employment); severance arrangements; change-in-control benefits and other forms of executive officer compensation. The Committee shall meet without the presence of executive officers when approving or deliberating on CEO compensation but may, in its discretion, invite the CEO to be present during the approval of, or deliberations with respect to, other executive officer compensation.
2. Plan Recommendations and Approvals. The Committee shall periodically review and make recommendations to the Board of Directors with respect to incentive-compensation plans and equity-based plans. In addition, in the case of any tax-qualified, non-discriminatory employee benefit plans (and any parallel nonqualified plans) for which stockholder approval is not sought and pursuant to which options or stock may be acquired by officers, directors, employees or consultants of the Company, the Committee, or a majority of the independent directors of the Board of Directors, shall approve such plans.
3. Administration of Plans. The Committee shall exercise all rights, authority and functions of the Board of Directors under all of the Company's stock option, stock incentive, employee stock purchase and other equity-based plans, including without limitation, the authority to interpret the terms thereof, to grant options thereunder and to make stock awards thereunder; provided, however, that, except as otherwise expressly authorized to do so by this charter, a plan or resolution of the Board of Directors, the Committee shall not be authorized to amend any such plan. To the extent permitted by applicable law and the provisions of a given equity-based plan, and consistent with the requirements of applicable law and such equity-based plan, the Committee may delegate to one or more executive officers of the Company the power to grant options or other stock awards pursuant to such equity-based plan to

employees of the Company or any subsidiary of the Company who are not directors or executive officers of the Company. The Committee, or a majority of the independent directors of the Board of Directors, shall approve any inducement awards granted in reliance on the exemption from shareholder approval contained in Nasdaq Rule 5635(c)(4).

4. Director Compensation. The Committee shall periodically review and make recommendations to the Board of Directors with respect to director compensation, including compensation of the Chairman of the Board of Directors.
5. Review and Discussion of Compensation Discussion and Analysis; Recommendation to Board. The Committee shall review and discuss annually with management the Company's "Compensation Discussion and Analysis" required by Item 402(b) of Regulation S-K (the "CD&A"). The Committee shall consider annually whether it will recommend to the Board that the CD&A be included in the Company's Annual Report on Form 10-K, proxy statement on Schedule 14A or information statement on Schedule 14C.
6. Compensation Committee Report. The Committee shall prepare the annual Compensation Committee Report required by Item 407(e)(5) of Regulation S-K.
7. Additional Powers. The Committee shall have such other duties as may be delegated from time to time by the Board of Directors.

#### **D. Procedures and Administration**

1. Meetings. The Committee shall meet as often as it deems necessary in order to perform its responsibilities. The Committee may also act by unanimous written consent in lieu of a meeting. The Committee shall keep such records of its meetings as it shall deem appropriate.
2. Subcommittees. The Committee may form and delegate authority to one or more subcommittees as it deems appropriate from time to time under the circumstances (including (a) a subcommittee consisting of a single member and (b) a subcommittee consisting of at least two members, each of whom qualifies as a "non-employee director," as such term is defined from time to time in Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended, and an "outside director," as such term is defined from time to time in Section 162(m) of the Internal Revenue Code of 1986, as amended, and the rules and regulations thereunder).
3. Reports to Board. The Committee shall report regularly to the Board of Directors.
4. Charter. At least annually, the Committee shall review and reassess the adequacy of this Charter and recommend any proposed changes to the Board of Directors for approval.
5. Compensation Consultants, Legal Counsel and Other Advisors. The Committee may, in its sole discretion, retain or obtain the advice of compensation consultants,

legal counsel or other advisors. 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 Committee is empowered, without further action by the Board, to cause the Company to pay the compensation, as determined by the Committee, of any compensation consultant, legal counsel and other advisor retained by the Committee. The Committee may select, or receive advice from, a compensation consultant, legal counsel or other advisor, only after taking into consideration the applicable factors affecting independence that are specified in NASDAQ Rule 5605(d)(3)(D).

6. Investigations. The Committee shall have the authority to conduct or authorize investigations into any matters within the scope of its responsibilities as it shall deem appropriate, including the authority to request any officer, employee or advisor of the Company to meet with the Committee or any advisors engaged by the Committee.