



FUSION CONNECT, INC.

COMPENSATION AND NOMINATING COMMITTEE CHARTER

I. Purpose and Scope

The primary functions of the Compensation and Nominating Committee (the "Committee") are (a) to review and recommend to the board of directors (the "Board") of Fusion Connect, Inc., a Delaware corporation (the "Company"), compensation and equity plans, policies and programs, to approve executive officer compensation, and to prepare the annual report on executive compensation and the Compensation Discussion and Analysis required to be included in the Company's proxy statement; (b) to assess the appropriate levels of risk within the Company's compensation policies and practices; and (c) to review related Board development issues including succession planning and performance evaluation for the Company's Chief Executive Officer ("CEO"). Notwithstanding anything contained in this Charter, the role of the Committee with respect to nomination matters shall be subject in all respects to the terms of that certain Stockholders' Agreement, dated as May 2018, by and among the Company, BCHI Holdings, LLC, and the stockholders named therein, for so long as such agreement is in effect.

II. Composition

The Committee shall be comprised of a minimum of three Directors appointed by the Board, who shall meet the independence requirements under any rules or regulations of The Nasdaq Stock Market, LLC (the "Exchange"), Section 10C-1 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and any other applicable rules and regulations of the Securities and Exchange Commission (the "SEC"), and shall be free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee. Notwithstanding the foregoing, the Board may appoint one non-independent director who is not a current executive officer, employee or family member of an executive officer to serve on the Committee, if the Board determines it is in the best interests of the Company and its stockholders for such director to serve on the Committee. In determining the independence of any individual who will serve on the Committee, the Board must consider all factors specifically relevant to determining whether such person has a relationship to the Company which is material to that person's ability to be independent from management in connection with the duties of a member of the Committee. In making such determination, the Board shall consider, among other things: (i) the source of compensation of such person, including any consulting, advisory or other compensatory fee paid by the Company to such person; and (ii) whether such person is affiliated with the Company, a subsidiary of the Company or an affiliate of a subsidiary of the Company.

The members of the Committee shall be elected by the Board at the meeting of the Board following each annual meeting of stockholders and shall serve until the next such meeting, or until their

successors shall be duly elected and qualified, or until their earlier resignation or removal. Unless a Chairman of the Committee is elected by the full Board, the members of the Committee may designate a Chairman by majority vote of the full Committee.

III. Meetings

The Committee shall meet as often as it determines to be necessary to discuss and act upon the matters under this Charter. It is anticipated that meetings shall be held at least two (2) times a year. The Committee may invite any officer or employee of the Company or the Company's outside legal counsel to attend a meeting of the Committee.

IV. Responsibilities and Duties

To fulfill its responsibilities and duties the Committee shall perform the following:

Document Review

1. Periodically review and assess the adequacy of this Charter as conditions dictate and update this Charter as appropriate.

Succession Planning

2. Periodically review and prepare succession plans for the CEO and other key executive officers of the Company.

Executive Compensation Matters

3. Evaluate and assess the performance of the CEO on an annual basis.

4. Review the performance evaluations of executive officers (other than the CEO) on an annual basis. It is recognized that subject to oversight by the Board and this Committee, the CEO has primary responsibility for evaluating the performance of all other executive officers.

5. Determine and approve base salaries, annual incentive awards (equity and/or cash) and long-term incentive awards for the CEO and, in consultation with the CEO, for other executive officers on an annual basis.

6. Establish performance objectives for executive officers under the Company's incentive compensation plans, and determine the attainment of such performance objectives.

7. Review the Company's incentive compensation arrangements to determine whether they encourage excessive risk-taking, to review and discuss the relationship between risk management policies and practices and compensation, and to evaluate compensation policies and practices that could mitigate any such risk.

8. Annually review and approve corporate goals and objectives relevant to CEO compensation, evaluate CEO compensation in light of those goals and objectives, and set the CEO's compensation level based on this evaluation.

9. Review and approve any employment agreements, severance arrangements, change in control agreements, or other similar agreements, and any amendments, supplements, or waivers to such agreements, as deemed necessary or advisable.
10. Retain, oversee and terminate any compensation consultant to be used to assist in the evaluation of the compensation for non-employee Board members (the “Independent Directors”), the CEO and other executive officers, including the authority to approve the consultant’s fee, and to obtain advice and assistance from internal or outside legal, accounting or other advisors.
11. Assess the independence of any compensation consultant, independent legal counsel or other advisor prior to selecting or receiving advice from them, taking into consideration applicable laws and other applicable rules and regulations by the Exchange or other governing body.
12. Review other forms of compensation, benefits, and incentives for executive officers and recommend changes in and new forms of compensation, benefits or incentives to the Board, when deemed appropriate or necessary to keep executive compensation competitive.
13. Assist with the preparation of the annual report on executive compensation and, if required, the Compensation Discussion and Analysis required to be included in the Company’s annual proxy statement, pursuant to the rules and regulations of the SEC.

Director Compensation Matters

14. Periodically review and assess the adequacy of Director compensation.

Defined Contribution Plans

15. Administer the Company’s defined contribution plans, if any. Recommend new plans, major plan amendments, or plan termination as appropriate.

Equity Plan Administration

16. In consultation with the CEO, approve grants of stock options under the Company’s 2016 Equity Incentive Plan and any successor plans.
17. Approve all decisions regarding the modifications of terms or conditions of any award or award agreement regarding equity compensation.

Nominating Matters

18. Recommend to the Board and aid in identifying and attracting qualified candidates to stand for election as Directors.
19. Evaluate periodically the desirability of, and recommend to the Board any changes in the size and composition of, the Board.
20. Confirm that Directors and candidates for Director meet the independence requirements of the SEC and the Exchange.

21. Select and evaluate Directors in accordance with the general and specific criteria set forth below:

a. **General Criteria.** Director selection should include at least enough Independent Directors to satisfy then existing SEC and Exchange requirements, and such Independent Directors should have appropriate skills, experiences, and other characteristics to provide qualified persons to fill all Board committee positions required to be filled by Independent Directors. Each Director should:

- i. be an individual of the highest character and integrity;
- ii. be free of any conflict of interest that would violate any applicable law or regulation or interfere with the proper performance of his or her responsibilities as a Director;
- iii. be willing and able to devote sufficient time to the affairs of the Company and be diligent in fulfilling the responsibilities of a Director and Board committee member (including developing and maintaining sufficient knowledge of the Company and its subsidiaries and the industry in which they compete);
- iv. have the ability and background to provide critical insights and practical wisdom based on personal experience and expertise; and
- v. have a commitment to enhancing stockholder value.

b. **Specific Criteria.** In addition to the general criteria, the Committee shall develop and periodically evaluate and modify as appropriate a set of specific criteria outlining the skills, experiences, particular areas of expertise, specific backgrounds, and other characteristics that should be represented on the Board to enhance the effectiveness of the Board and Board Committees, taking into account any particular needs of the Company based on its business, size, strategic objectives, customers and other characteristics.

22. Evaluate each new Director candidate and each incumbent Director before recommending that the Board nominate or re-nominate such individual for election or reelection as a Director based on the extent to which such individual meets the general and specific criteria above.

23. Diligently seek to identify potential Director candidates who will strengthen the Board, by establishing procedures for soliciting and reviewing potential nominees from Directors and stockholders of the Company.

24. Submit to the Board the candidates for Director to be recommended by the Board for election at each annual meeting of stockholders and to be added to the Board at any other times due to Board expansions, Director resignations, retirements, or otherwise.

25. Periodically review and assess the performance of the members of the Board.

Management Support

26. To assist the Committee in fulfilling its duties, management shall provide the Committee with information and recommendations as needed and requested. The Committee shall have access to the General Counsel and/or outside legal counsel and consultants at its discretion, if it deems such access to be necessary.

Issue date: May 2018.