

QC HOLDINGS, INC.

CHARTER OF COMPENSATION COMMITTEE (As adopted on June 15, 2004)

1. Mission Statement

The Compensation Committee (the “Committee”) of the Board of Directors of QC Holdings Inc. (the “Company”) will oversee and evaluate the compensation of the executive officers of the Company and its subsidiaries (and their performance relative to their compensation) and assure that they are compensated effectively in a manner consistent with the stated compensation strategy of the Company, internal equity considerations, competitive practices, and the requirements of the appropriate regulatory bodies. The Committee also will communicate to stockholders regarding the Company’s compensation policies and the reasoning behind those policies as required by the Securities and Exchange Commission (the “SEC”). In addition, the Committee will evaluate and make recommendations regarding the compensation of the directors, including their compensation for services on Board committees. The Compensation Committee will provide assistance to the Board of Directors in determining the appropriate compensation and incentive programs for the directors and executive officers of the Company in order to (i) encourage effective recruitment and retention of those individuals, and (ii) align the interests of those individuals with the interests of the Company and its stockholders.

2. Membership and Qualification

The Committee will consist of three or more Independent Directors , as defined in NASD Rules 4200(a)(15) and 4350(d)(2)(A)(i), as may be amended from time to time. The Committee members will be elected annually by the Board for terms of one year, or until their successors are duly elected and qualified. The Board of Directors may remove any Committee member at any time. Unless a Committee Chairman is elected by the full Board, the Committee members may designate a Chairman. In addition to satisfying the requirements necessary to be Independent Directors, each member of the Committee also must satisfy all requirements necessary from time to time to be a “disinterested director” under SEC Rule 16b-3 and qualified a “outside director” under Section 162(m) of the Internal Revenue Code and related regulations, all as amended from time to time.

3. Meetings and Other Actions

The Committee will meet at least once a year and at such additional times as may be necessary to carry out its responsibilities. Meetings may be called by the Chairman of the Committee, the Chairman of the Board or the Chief Executive Officer of the Company. All meetings of and other actions by the Committee will be held and taken pursuant to the Bylaws of the Company, including Bylaw provisions governing notice of meetings and waiver thereof, the number of

Committee members required to take actions at meetings and by written consent, and other related matters.

Unless otherwise authorized by the Board of Directors, the Committee will not delegate any of its authority to any subcommittee.

Reports of meetings of and actions taken at meetings or by consent by the Committee since the most recent Board meeting (except to the extent covered in an interim report circulated to the Board) will be made by the Committee Chairman or his or her delegate to the Board at its next regularly scheduled meeting following the Committee meeting or action and will be accompanied by any recommendations from the Committee to the Board. In addition, the Committee Chairman or his or her delegate will be available to answer any questions the other directors may have regarding the matters considered and actions taken by the Committee.

4. Goals, Responsibilities and Authority

In carrying out its mission, the Committee will have the following responsibilities and authority (it being understood that the Committee may condition its approval of any compensation on Board ratification to the extent so required to comply with applicable tax law, such as Rule 162(m) of the Internal Revenue Service):

- (i) Review from time to time, modify if necessary, and approve: (a) the Company's corporate goals and objectives relevant to executive compensation and (b) the structure of the Company's executive compensation to ensure that the structure is appropriate to achieve the Company's objectives of rewarding the Company's executive officers appropriately for their contributions to the Company's growth and profitability and the Company's other goals and objectives and linking the interests of the Company's executive officers to the long-term interests of the Company's equity owners through a mix of long- and short-term incentives.
- (ii) Annually evaluate the compensation (and performance relative to compensation) of the Chief Executive Officer and determine the amounts and individual elements of total compensation for the Chief Executive Officer consistent with the Company's corporate goals and objectives and communicate in the annual Compensation Committee Report to stockholders the factors and criteria on which the Chief Executive Officer's compensation for the last year was based, including the relationship of the Company's performance to the Chief Executive Officer's compensation.
- (iii) In determining the long-term incentive component of the Chief Executive Officer's compensation, the Committee should consider the Company's performance and relative stockholder return, the value of similar incentive awards to chief executive officers at comparable companies, and the awards given to the Company's Chief Executive Officer in prior years.

- (iv) Annually evaluate (in conjunction with the Chief Executive Officer) the compensation (and performance relative to compensation) of other executive officers and approve the individual elements of total compensation for each such person and communicate in the annual Compensation Committee Report to stockholders the specific relationship of the Company's performance to executive compensation.
- (v) Periodically evaluate the terms and administration of the Company's annual and long-term incentive plans to assure that they are structured and administered in a manner consistent with the Company's goals and objectives as to participation in such plans, target annual incentive awards, corporate financial goals, actual awards paid to the Company's executive officers, and total funds reserved for payment under the compensation plans.
- (vi) Periodically evaluate (and approve any proposed amendments to) existing equity-related plans and evaluate and approve the adoption of any new equity-related plans and determine when it is necessary (based on advice of counsel) or otherwise desirable: (a) to modify, discontinue or supplement any such plans; or (b) to submit such amendment or adoption to a vote of the full Board or the Company's stockholders.
- (vii) Periodically evaluate the compensation of directors, including for service on Board committees and taking into account the compensation of directors at comparable companies. Approve annual retainer and meeting fees for Board and committees of the Board and fix the terms and awards of any stock compensation for members of the Board.
- (viii) Approve revisions to the Company's executive salary range structure, annual salary increase guidelines, and discuss those executive compensation arrangements with the Chief Executive Officer.
- (ix) Periodically evaluate the Company's employee benefit programs in which executive officers of the Company participate (other than broad-based benefit programs) and approve any significant changes therein and determine when it is necessary (based on advice of counsel) or otherwise desirable to submit any such changes to a vote of the full Board or the Company's stockholders.
- (x) Have sole authority to retain and terminate any compensation consultant engaged to assist in evaluating the compensation of the Company's directors, Chief Executive Officer or other executive officers and to approve such consultant's fees and other terms of retention.

- (xi) Periodically reassess the adequacy of and, if appropriate, propose to the Board, any desired changes in, the Committee's Charter.
- (xii) Perform such other duties and responsibilities as may be assigned to the Committee, from time to time, by the Board or the Chairman of the Board, or as designated in plan documents.

5. Additional Resources

The Committee will have the right to use reasonable amounts of time of the Company's internal and independent accountants, internal and outside lawyers and other internal staff and also will have the right to hire independent compensation experts, lawyers and other consultants to assist and advise the Committee in connection with its responsibilities. The Committee will keep the Company's Chief Financial Officer advised as to the general range of anticipated expenses for outside consultants.

6. Board of Directors Authority

Any action of the Compensation Committee, other than equity awards, may be revised, modified or rescinded by the Board of Directors, which retains ultimate authority for all matters delegated to this Committee.