

PLANET PAYMENT, INC.

CORPORATE GOVERNANCE GUIDELINES

(Adopted on October 25, 2012)

The following Corporate Governance Guidelines have been adopted by the Board of Directors (the “*Board*”), of Planet Payment, Inc. (the “*Company*”), pursuant to the recommendations of the Nominating and Corporate Governance Committee (the “*Committee*”) to promote the effective functioning of the Board and its committees, to promote the interests of stockholders, and to ensure a common set of expectations as to how the Board, its various committees, individual directors and management should perform their functions. The Board intends that these guidelines serve as a flexible framework within which the Board may conduct its business, not as a set of binding legal obligations.

These Corporate Governance Guidelines are not intended to change or interpret any Federal or state law or regulation, including the General Corporation Law of the State of Delaware, or the Certificate of Incorporation or Bylaws of the Company. These Corporate Governance Guidelines are subject to modification from time to time by the Board pursuant to recommendations of the Committee.

I. Role of Directors

The business and affairs of the Company shall be managed by or under the direction of the Board. The Board is classified into three classes, with the members of each class up for election once every three years. Each director is expected to spend the time and effort necessary to properly discharge such director’s responsibilities. Accordingly, a director is expected to regularly attend meetings of the Board and committees on which such director sits, and to review prior to meetings material distributed in advance for such meetings. A director who is unable to attend a meeting (which it is understood will occur on occasion) is expected to notify the Secretary of the Company, who will then notify the Chairman of the Board or the Chair of the appropriate committee in advance of such meeting.

The Board is expected to monitor the performance of the Company (in relation to its financial objectives, major goals, strategies and competitors). The Board also elects corporate officers, acts as the management team’s advisor and monitors its performance. The Board regularly reviews the Company’s long-term strategic business plans with the officers and other pertinent issues affecting the business of the Company. The Board assesses risks facing the Company and management’s approach to addressing such risks. The Board is also responsible for oversight of the Company’s program to prevent and detect violations of law, regulation and Company policies and procedures. The Board reviews and, if appropriate, approves significant transactions. The Board develops standards to be utilized by management in determining the types of transactions that should be submitted to the Board for review and approval or notification.

II. Independence of the Board

The Board shall be comprised of a majority of directors who, in the business judgment of the Board, qualify as independent directors (“*Independent Directors*”) under the applicable rules, regulations and listing standards of the NASDAQ Stock Market, as such rules, regulations and listing standards may be amended from time to time, and these Corporate Governance Guidelines. No director shall qualify as independent unless the Board affirmatively determines that the director has no material relationship with the Company (either directly or as a partner, stockholder or officer of an organization that has a relationship with the Company). The Board may adopt and disclose categorical standards to assist it in determining director independence.

III. Size of the Board

The Company’s Bylaws provide that the Board shall have such number of directors as are set by resolution of the Board or the Company’s stockholders. The current number of directors has been established by resolution of the Board at six (6) directors. The Board shall periodically review the size of the Board, which may be increased or decreased if determined to be appropriate by the Board.

IV. Frequency of Meetings

There are at least four regularly scheduled meetings of the Board each year. At least one regularly scheduled meeting of the Board shall be held quarterly, plus special meetings as required by the needs of the Company.

V. Selection of the Chairman of the Board

The Board does not require the separation of the offices of the Chairman of the Board and the Chief Executive Officer. The Board shall be free to choose its Chairman in any way that it considers in the best interests of the Company. The Committee will periodically consider the Board’s leadership structure and make such recommendations to the Board with respect thereto as the Committee deems appropriate.

When the positions of Chairman and Chief Executive Officer are held by the same person, the independent directors shall designate a Lead Independent Director. In cases in which the Chairman and Chief Executive Officer are the same person, the Chairman schedules and sets the agenda for meetings of the Board, and the Chairman or, if the Chairman is not present, the Lead Independent Director chairs such meetings. In addition, the Lead Independent Director (1) presides over executive sessions of independent directors, (2) serves as a liaison between the Chairman and the independent directors, (3) is available, under appropriate circumstances, for consultation and direct communication with stockholders and (4) performs such other functions and responsibilities as requested by the Board from time to time. The Lead Independent Director will encourage direct dialogue between all directors (particularly those with dissenting views) and management.

VI. Selection of Directors

The Board shall be responsible for nominating members for election to the Board and for filling vacancies on the Board that may occur between annual meetings of stockholders. The Committee is responsible for identifying, evaluating and recommending candidates to the Board for Board membership. The Committee may use outside consultants to assist in identifying candidates. When formulating its Board membership recommendations, the Committee shall also consider advice and recommendations from stockholders, management, and others as it deems appropriate. The invitation to join the Board shall be extended by the Board via the Chairman and either the chairperson of the Committee or another Independent Director of the Company designated by the Chairman and the chairperson of the Committee.

VII. Board Membership Criteria

Nominees for director shall be selected on the basis of, among other things, independence, integrity, skills, financial and other expertise, breadth of experience, knowledge about the Company's business or industry and willingness and ability to devote adequate time and effort to Board responsibilities in the context of the existing composition, other areas that are expected to contribute to the Board's overall effectiveness and needs of the Board and its committees.

The Committee shall be responsible for developing and recommending to the Board for determination: (i) any specific minimum qualifications that the Committee believes must be met by a Committee-recommended nominee for a position on the Board, (ii) any specific qualities or skills that the Committee believes are necessary for one or more of the Board members to possess and (iii) the desired qualifications, expertise and characteristics of Board members, with the goal of developing an experienced and highly qualified Board.

VIII. Other Public Company Directorships

The Committee, in making its recommendations, shall consider the number of other public company boards and other boards (or comparable governing bodies) on which a prospective nominee is a member. It is recommended that no director serve on more than six public company boards, including the Board. Directors are also expected to consider carefully the number of other boards, including non-profits, on which they serve in order to devote adequate time and effort to their Board responsibilities. Additionally, the Committee shall advise the Board as to whether any member of the Audit Committee shall be permitted to sit upon the audit committees of more than two other public companies, taking into account the Company's needs at such time and the qualifications and demands upon the time of such person. The Board shall thereupon determine whether such service impairs such member's ability to effectively serve on the Audit Committee.

IX. Retirement Age

The Board does not believe that a fixed retirement age for directors is necessary.

X. Director Tenure

There are no limits on the number of three-year terms that may be served by a director. However, in connection with evaluating recommendations for nomination for re-election, the Committee shall consider director tenure.

XI. Number and Composition of Board Committees

The Board currently has the following standing committees: Audit Committee, Compensation Committee and Nomination and Governance Committee. The purpose and responsibilities for each of these committees shall be outlined in committee charters adopted by the Board. After consultation with the Committee, the Board may, from time to time, form a new committee, re-allocate responsibilities of one committee to another committee or disband a current committee depending on circumstances. In addition, the Board may determine to form ad hoc committees from time to time, and determine the composition and areas of competence of such committees.

XII. Executive Sessions of Independent Directors

The Independent Directors of the Company shall meet in executive session without management on a regularly scheduled basis, but no less than two times a year, during regularly scheduled Board meetings. The Chairman or, if the Chairman and the Chief Executive Officer are the same person, the Lead Independent Director shall preside at such executive sessions. Any Independent Director can request that an additional executive session be scheduled.

XIII. Director Compensation

Non-employee directors are eligible to receive a combination of cash and equity for service on the Board or its committees. Employee directors are not paid additional compensation for their services as directors. The Compensation Committee reviews the form and amount of cash-based and equity-based compensation to be paid or awarded to non-employee directors for service on the Board or its committees and provides a recommendation to the Board, for determination by the Board, as to such compensation based upon, among other things, the Compensation Committee's consideration of the responsibilities and time commitment of Company directors, as well as competitive information. The Compensation Committee will periodically review the level and form of, and, if it deems appropriate, recommend to the Board changes in, director compensation.

XIV. Director and Senior Executive Stock Ownership

The Compensation Committee, working with the Committee, periodically assesses the appropriateness of stock ownership guidelines for directors and senior executives, including whether and to what extent directors and senior executives should be restricted from selling stock acquired through equity compensation.

XV. Board Access to Officers and Employees

The Board has full and free access to officers and employees of the Company. Any meetings or contacts that the Board or an individual director wishes to initiate may be arranged through the Company's Chief Executive Officer or Secretary or directly by the Board or such director. The Board will use its judgment to ensure that any such contact is not disruptive to the business operations of the Company and will, to the extent not inappropriate, copy the Chief Executive Officer on any written communications between any directors and an officer or employee of the Company.

XVI. Attendance at Annual Meeting of Stockholders

It is Company policy that Directors are invited and encouraged to attend the Annual Meeting of Stockholders in person or by telephone or video conference call.

XVII. Director Orientation and Continuing Education

The Company shall provide for an orientation process for new directors that includes background material, meetings with senior management and visits to Company facilities. The Board encourages all directors to stay abreast of developing trends for directors from the variety of sources available. Directors may be expected, based on the recommendations of the Committee, to participate in continuing educational programs in order to maintain the necessary level of expertise to perform their responsibilities as directors.

XVIII. Evaluation of Board Performance

The Board and each of its committees shall conduct a self-evaluation annually, beginning with a review of the year ending December 31, 2012. Committees shall assess their performance relative to their charter and best practices. The Committee will oversee an annual self-assessment of each individual director's performance, the Board's performance and the operation and composition of each committee of the Board.

The Committee will utilize the results of this self-evaluation process to determine if the Board and its committees are functioning effectively and in assessing and determining the characteristics and critical skills required of prospective candidates for election to the Board and making recommendations to the Board with respect to assignments of Board members to various committees. The full Board will discuss the evaluation to determine what action, if any, would improve Board and committee performance and whether any changes to these Corporate Governance Guidelines would be appropriate.

XIX. Succession Planning

The Board shall plan for senior management selection and succession planning in order to assure the orderly functioning and transition of the management of the Company, in the event of emergency or retirement of a member of the Company's senior management. As part of this process, the Independent Directors, in consultation with the Chief Executive Officer, shall, in the

event of emergency or retirement of a member of the Company's senior management, assess management needs and abilities of potential successors.

In identifying potential candidates for a member of the Company's senior management, in the event of emergency or retirement, the Board shall consider, among other things, a candidate's experience, understanding of the Company's business environment, leadership qualities, knowledge, skills, expertise, integrity, and reputation in the business community.

XX. Authority to Retain Advisors

The Board and each of its committees have the authority, at the Company's expense, to retain and terminate independent advisors to assist in the performance of their respective functions as the Board and any such committee deems necessary.

XXI. Amendments

The Board may amend these Corporate Governance Guidelines, or grant waivers in exceptional circumstances, provided that any such modification or waiver may not be a violation of any applicable law, rule or regulation and further provided that any such modification or waiver is appropriately disclosed.
