

**PIPER JAFFRAY COMPANIES  
COMPENSATION COMMITTEE CHARTER**

As Amended by the Board of Directors  
on November 2, 2010

**I. PURPOSE**

The Compensation Committee (the “Committee”) is established pursuant to the Bylaws of Piper Jaffray Companies (the “Company”). The purpose of the Committee is to discharge the Board’s responsibilities relating to compensation of the Company’s executive officers, to oversee succession planning for the executive officers and to ensure that the Company’s compensation and employee benefits programs comply with the Company’s compensation and benefits philosophy.

**II. MEMBERSHIP**

The Committee shall consist of three or more members of the Board appointed from time to time by the Board. All of the members of the Committee shall be non-employee directors who meet the independence requirements of the New York Stock Exchange and any other standards of independence as may be prescribed for purposes of any federal securities, tax or other laws relating to the Committee’s duties and responsibilities. The Committee Chairperson shall be appointed by the Board. The Committee may appoint a Secretary, who need not be a director. Committee members are subject to removal at any time by a majority of the Board. Any resulting vacancy may be filled by the Board.

**III. MEETINGS**

The Committee will meet as often as it determines, but no less frequently than four times per year. The Committee may request any officer or employee of the Company or external legal, accounting or other advisors to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

**IV. RESOURCES AND AUTHORITY**

The Committee shall have the resources and authority appropriate to discharge its responsibilities, including the authority to use internal personnel and to obtain advice and assistance from internal or external legal, accounting, risk management, tax or other advisors and the funding for compensating any such external advisors. In addition, the Committee shall have sole authority for the Company to retain and terminate external executive compensation consultants and to approve the fees and other retention terms and policies related to the appointment of such consultants.

The Committee may delegate its authority to subcommittees established from time to time by the Committee, which subcommittees shall consist of one or more members of the Committee and will report to the Committee, or to the Company's chief executive officer consistent with Section 157(c) of the Delaware General Corporation Law, *except* that the Committee will not delegate its authority with respect to compensation matters involving any persons subject to Section 16 of the Securities and Exchange Act of 1934, as amended.

## V. DUTIES AND RESPONSIBILITIES

The Committee shall:

1. Periodically review and evaluate the Company's philosophy, goals and objectives with respect to the compensation of employees generally and employee benefits.
2. Review and approve corporate goals and objectives relevant to the compensation of the chief executive officer.
3. Evaluate the chief executive officer's performance in light of these goals and objectives, and determine the chief executive officer's compensation level based on this evaluation. In determining any long-term incentive component of the chief executive officer's compensation, the Committee shall consider, at a minimum, the Company's performance and relative shareholder return, the value of similar incentive grants or awards to chief executive officers at comparable companies and the grants or awards given to the chief executive officer in past years.
4. Review and approve, or recommend to the Board for approval, compensation for the Company's executive officers other than the chief executive officer.
5. Review and approve, or recommend to the Board for approval, compensatory plans, agreements and arrangements (including, but not limited to, employment, severance and change-in-control agreements) applicable to the Company's executive officers.
6. Review and discuss with management whether the Company's compensation arrangements are consistent with effective controls and sound risk management.
7. Recommend to the Board the compensation and benefits to be provided to the Company's non-employee directors and, with respect to any equity compensation to be provided to non-employee directors, exercise the power and authority of the committee designated under the terms of the relevant plan or plans to administer such equity awards.
8. Jointly with the Nominating and Governance Committee, oversee succession planning for the Company's executive officers.

9. Recommend to the Board stock ownership guidelines for the Company's executive officers and non-employee directors, and periodically assess these guidelines and recommend revisions, as appropriate.
10. Review and approve, or recommend to the Board for approval, the adoption of and material changes in broad-based incentive compensation, equity-based, retirement and other material employee benefit plans.
11. Perform such duties and responsibilities as may be assigned to the Committee under the terms of any compensation or benefits plan.
12. Review and discuss with management the Company's specific disclosures in the "Compensation Discussion and Analysis" and any other disclosure regarding executive compensation to be included in the Company's annual proxy statement and obtain input from Board on these disclosures.
13. Review and discuss the specific "Compensation Discussion and Analysis" required to be included in the Company's annual proxy statement, and recommend to the Board inclusion of such analysis.
14. Periodically review and discuss with management the Company's compensation peer group as reported in the Company's Compensation Discussion and Analysis included in the Company's annual proxy statement.
15. Annually review and reassess the adequacy of this Charter and recommend to the Board any proposed changes to this Charter.
16. Annually review and evaluate the Committee's own performance.
17. Report regularly to the Board on the Committee's activities.