



# Charter of the Compensation Committee of the Board of Directors of Computer Programs and Systems, Inc.

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Amended and Restated on May 6, 2013

## I. Purpose

The purpose of the Compensation Committee (the "Committee") of the Board of Directors (the "Board") of Computer Programs and Systems, Inc. (the "Corporation") is to aid the Board in meeting its responsibilities with regard to oversight and determination of executive compensation. Among other things, the Committee shall review, approve and recommend to the Board for approval the salaries and other compensation of the Corporation's executive officers and oversee and administer the Corporation's equity-based plans and executive cash incentive plans (including approving or recommending to the Board for approval various awards to participants in such plans).

## II. Membership

The Committee shall be composed of not less than two (2) directors. Appointment to the Committee, including designation of the Committee Chairman, shall be made on an annual basis by the full Board upon recommendation of the Nominating and Corporate Governance Committee of the Board. Each member of the Committee must satisfy the independence and other eligibility requirements of the listing rules of the Nasdaq Stock Market (as adopted pursuant to Rule 10C-1 under the Securities Exchange Act of 1934), as amended and in effect from time to time. The Board shall determine, in its business judgment, whether each member of the Committee satisfies the eligibility requirements of such listing rules. Committee members may be removed by a majority vote of the Board, and vacancies will be filled by a majority vote of the Board.

## III. Duties and Responsibilities

The Compensation Committee shall:

1. Review and make a recommendation to the Board regarding the compensation of the Chief Executive Officer (the "CEO") of the Corporation. In determining the amount, form and terms of such recommended compensation, the Committee shall consider the annual performance evaluation of the CEO conducted by the Board in light of corporate goals and objectives relevant to CEO compensation, competitive market data pertaining to CEO compensation at comparable companies and such other factors as it shall deem relevant, and shall be guided by, and seek to promote, the best interests of the Corporation and its stockholders. The CEO may not be present during any voting or deliberations by the Committee on the CEO's compensation.
2. Review and make a recommendation to the Board regarding the salaries, bonuses and other matters relating to compensation of the executive officers of the Corporation. In determining the amount, form and terms of such recommended compensation, the Committee shall consider each officer's performance in light of corporate goals and



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objectives relevant to executive compensation, competitive market data pertaining to executive compensation at comparable companies and such other factors as it shall deem relevant, and shall be guided by, and seek to promote, the best interests of the Corporation and its stockholders. The CEO of the Corporation may be present at meetings during which such compensation (other than for the CEO) is under review and consideration but may not vote.

3. Review and make recommendations to the Board with respect to stockholder proposals related to compensation matters.
4. Review and make recommendations to the Board regarding the Corporation's policies and procedures pertaining to director compensation. Review and make recommendations from time to time on the adequacy and effectiveness of Board compensation in relation to other comparable companies.
5. Review and make recommendations to the Board regarding executive compensation and benefit plans and programs.
6. As requested by the Corporation's management, review, consult and make recommendations and/or determinations regarding employee compensation and benefit plans and programs generally, including employee bonus and retirement plans and programs (except to the extent specifically delegated to a Board-appointed committee with authority to administer a particular plan).
7. Oversee and administer the Corporation's equity-based plans and executive cash incentive plans, including the review and approval (or recommendation to the Board for approval) of various awards to eligible employees and non-employee directors under such plans.
8. Provide and approve the Compensation Committee Report to be included in the Corporation's annual proxy statement.
9. Review and discuss with management the Compensation Discussion and Analysis ("CD&A") required by the rules of the Securities and Exchange Commission and, based on such review and discussion, recommend to the Board that the CD&A be included in the Corporation's annual report on Form 10-K or the Corporation's annual proxy statement.
10. When appropriate, be authorized to designate one or more of its members to perform certain of its duties on its behalf, subject to such reporting to or ratification by the Committee as the Committee shall direct.



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11. Annually review and reassess the adequacy of its charter and recommend any changes to the full Board.

#### **IV. Subcommittees**

The Committee shall have the authority to create one or more subcommittees, consisting of one of more members of the Committee, but no subcommittee will have any final decision-making authority on behalf of the Committee or the Board. Any such subcommittee shall keep the Committee advised of its activities.

#### **V. Meetings**

It is anticipated that regular meetings of the Committee shall be held at least twice each year, but the Committee shall have the authority to alter or amend such schedule and may meet more or less frequently. The Committee shall meet at such times as deemed appropriate by the Chairman of the Committee, any two (2) members of the Committee or the Chairman of the Board. A quorum for the transaction of any business by the Committee shall be a majority of the members of the Committee. The act of a majority of the members of the Committee shall be the act of the Committee. In addition, the Chairman and members of the Committee may meet informally or by telephone. Otherwise, unless the Committee or the Board adopts other procedures, the provisions of the Corporation's Bylaws applicable to meetings of the Board will govern meetings of the Committee. The Committee shall keep minutes of each meeting.

#### **VI. Advisers; Reliance; Cooperation**

**A. *Retention of Consultants, Counsel and Other Advisers.*** The Committee has the power, in its sole discretion, to retain or obtain the advice of a compensation consultant, legal counsel or other adviser (an "Adviser"), as it deems necessary or appropriate to carry out its duties. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any Adviser retained by the Committee. The Corporation must provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to any Adviser retained by the Committee. The Committee may select, or receive advice from, an Adviser (other than in house legal counsel, if any) only after assessing the independence of such Adviser by taking into consideration the following factors:

1. The provision of other services to the Corporation by the person who employs the Adviser (the "Employer");
2. The amount of fees received from the Corporation by the Employer, as a percentage of the total revenue of the Employer;
3. The policies and procedures of the Employer that are designed to prevent conflicts of interest;



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4. Any business or personal relationship of the Adviser with a member of the Committee;
5. Any stock of the Corporation owned by the Adviser; and
6. Any business or personal relationship of the Adviser or the Employer with an executive officer of the Corporation.

The Committee must conduct this independence assessment with respect to any Adviser (other than in-house legal counsel, if any) that provides advice to the Committee, regardless of who retained the Adviser, and such assessment shall occur on at least an annual basis. Notwithstanding the foregoing, the Committee may select, or receive advice from, any Adviser it prefers, including ones that are not independent, after considering the six independence factors outlined above. Additionally, no assessment is required with respect to an Adviser that solely consults on a broad-based plan that does not discriminate in favor of executive officers or directors and that is available generally to all salaried employees, and/or that provides information that either is not customized for the Corporation or is customized based on parameters not developed by the adviser, and about which the adviser does not provide advice.

**B. *Reliance Permitted.*** In carrying out its duties, the Committee may act in reliance on management, the independent public accountants, internal auditors, and any Advisers and experts, as it deems necessary or appropriate.

**C. *Investigations.*** The Committee has the power, in its discretion, to conduct any investigation it deems necessary or appropriate to enable it to carry out its duties.

**D. *Required Participation of Employees.*** The Committee will have unrestricted access to the independent public accountants, internal auditors, outside counsel and anyone else in the Corporation, and may require any officer or employee of the Corporation or the Corporation's outside counsel or independent public accountants to attend any meeting of the Committee or to meet with any members of, or Advisers to, the Committee.