



# Charter of the Nominating and Corporate Governance Committee of the Board of Directors of Computer Programs and Systems, Inc.

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## I. Purpose

The purpose of the Nominating and Corporate Governance Committee (the “Committee”) of Computer Programs and Systems, Inc. (the “Corporation”) is to (a) identify individuals qualified to become members of the Board of Directors (the “Board”), consistent with criteria approved by the Board, and to recommend director nominees for approval by the Board; (b) monitor, oversee and evaluate the corporate governance principles applicable to the Corporation, and recommend to the Board appropriate revisions thereto from time to time; (c) oversee the evaluation of the board and management; and (d) take such other actions within the scope of this charter (this “Charter”) as the Committee deems necessary or appropriate.

## II. Membership

The Committee shall be composed of not less than three (3) directors. Each member of the Committee must be independent. Members of the Committee shall be considered independent if, in the business judgment of the Board, they meet the independence requirements of applicable law and listing standards. The Committee and its Chairman shall be appointed annually by the Board. Committee members may be removed by a majority vote of the Board, and vacancies will be filled by majority vote of the Board.

## III. Duties and Responsibilities

The Board delegates to the Committee the express authority to do the following, to the fullest extent permitted by applicable law and the Corporation’s Certificate of Incorporation and Bylaws:

1. Board Composition. Make recommendations to the Board regarding the composition of the Board, including such matters as (a) the size of the Board of Directors; (b) the mix of inside and outside directors; (c) the Board’s criteria for selecting new directors; (d) the retirement policy for members of the Board; and (e) the independence of existing and prospective members.
2. Candidates and Nominees. Identify and recommend, as appropriate, to the Board new candidates for the Board. Review and develop the Board’s criteria for selecting new directors, including standards for director independence. Review the qualifications of candidates for election to the Board and recommend to the Board a slate of nominees to be proposed for election as directors at annual meetings of the stockholders. Establish procedures to solicit, review, and recommend to the Board, potential director nominees proposed by stockholders.

Criteria that will be used in connection with evaluating and selecting new directors will include factors relating to whether the director candidate would meet the definition of “independence” required by NASDAQ, as well as skills, occupation, and experience in the context of the needs of the Board.

3. Current Directors. Review the suitability of each Board member for continued service when his or her term expires and when he or she has a significant change in status.



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4. Annual Review; Charter. Conduct an annual performance evaluation of the Committee and the Committee's duties and responsibilities, including a review and assessment of the adequacy of this Charter. Recommend any proposed changes to the Board for approval. Publish this Charter as required by the rules and regulations of applicable law and as otherwise deemed advisable by the Committee.
5. Committees. Evaluate the nature, structure, operations and procedures (including the authority to delegate to subcommittees) of other Board committees and make recommendations to the Board concerning same. Make recommendations to the Board as to qualifications of members of the Board's committees, committee member appointment and removal, and committee reporting to the Board.
6. Evaluations of Board, Management and Committees. Take such steps as the Committee deems necessary or appropriate with respect to the evaluation of the Board, management, and each Board committee and make recommendations to the Board based on such evaluation as deemed appropriate.
7. Governance Guidelines. Oversee the structure of corporate governance of the Corporation, including: (A) overseeing the corporate governance guidelines (the "Guidelines") of the Corporation; (B) monitoring and reassessing the adequacy of the Guidelines at least annually; and (C) recommending to the Board for approval any such changes to the Guidelines as the Committee believes are appropriate.
8. Orientation and Education. Develop with management and monitor the process of orienting new directors and continuing education for existing directors.
9. Board Meetings. Monitor both the effectiveness of the meetings of the Board of Directors and the quality of the management reports to the Board of Directors and, as appropriate, recommend to the Board and to management actions designed to improve meetings of the Board.
10. Recommendations; Reports. Make recommendations and report to the Board and other Board committees with respect to nominating and corporate governance policies of the Corporation, any of the foregoing matters, or any other matter for which the Committee has been delegated responsibility.
11. Other Actions. Perform any other activities consistent with this Charter, the Corporation's Bylaws and governing law as the Committee or the Board deems necessary or appropriate.

#### **IV. Subcommittees**

The Committee shall have the authority to create one or more subcommittees, consisting of one or 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.



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### V. Meetings

It is anticipated that regular meetings of the Committee shall be held 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 Chief Executive Officer of the Corporation, the Chairman of the Board, the Chairman of the Committee, or by any two (2) members of the Committee. 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 Company's Bylaws applicable to meetings of the Board will govern meetings of the Committee. The Committee shall keep minutes of each meeting.

### VI. Reliance; Experts; Cooperation

**A. Retention of Counsel and Advisors.** The Committee has the power, in its discretion, to retain at the Corporation's expense such independent counsel and other advisors and experts, as it deems necessary or appropriate to carry out its duties. The Committee shall have sole authority to retain and terminate any such consultant or legal adviser, including sole authority to approve the fees and other retention terms.

**B. Search Firm.** The Board delegates to the Committee the sole authority, in its discretion, (a) to decide whether to retain a consultant or search firm to assist the Committee in identifying, screening and attracting director candidates, (b) to terminate any such firm, and (c) to approve any compensation payable by the Corporation to such consultant or search firm, including the fees, terms and other conditions for the performance of such services.

**C. Reliance Permitted.** In carrying out its duties, the Committee will act in reliance on management, the independent public accountants, internal auditors, and outside advisors and experts, as it deems necessary or appropriate.

**D. 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.

**E. Required Participation of Employees.** The Committee will have unrestricted access to the independent public accountants, the 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 consultants or advisors to, the Committee.