

# MDADVANTAGE COMPENSATION COMMITTEE CHARTER

## I. Purpose

The purpose of the Compensation Committee is to i) review and recommend to the Board of Directors the total compensation structure for the Board of Directors and the Chief Executive Officer; ii) review and approve compensation for executives who are direct reports to the Chief Executive Officer; and iii) review and approve a compensation philosophy to include compensation and benefits policies, strategies, and pay levels necessary to support corporate objectives.

## II. Compensation Committee Membership

The Board of Directors on recommendation by the Chairman of the Board shall designate the members and the Chair of the Compensation Committee annually during the Board of Directors' organizational meeting. Said members shall serve until removed by the Board or until their successors are duly elected and qualified. The Compensation Committee shall report to the Board. The Board of Directors on recommendation by the Chairman of the Board shall fill any vacancy on the Compensation Committee.

Each member of the Compensation Committee shall be independent from the management of the Corporation, and free from any relationship that would interfere with his or her exercise of independent judgment as a Compensation Committee member.

## III. Compensation Committee Guidelines and Responsibilities

1. The Compensation Committee shall review and recommend to the Board of Directors annually the compensation structure for the Board of Directors.
2. The Compensation Committee shall on an annual basis review the performance of the Chief Executive Officer. The Compensation Committee shall review and recommend to the Board of Directors annually the base salary level, the incentive opportunity level, executive perquisites, and benefits of the Chief Executive Officer.

### a. Chief Executive Officer Performance Evaluation

The Compensation Committee is responsible for setting annual and long-term performance goals for the Chief Executive Officer and for evaluating his/her performance against such goals. The Committee shall meet annually with the Chief Executive Officer to receive his/her recommendations concerning such goals and to evaluate his/her performance against the prior year's goals. The evaluation will be considered by the Compensation Committee in the course of its deliberations when setting the compensation of the Chief Executive Officer.

The Compensation Committee's recommendation regarding the Chief Executive Officer's salary, bonus and long-term incentives will be considered in executive session by the Board. Discussion of the Chief

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Executive Officer's performance is part of the consideration process. The Chairman of the Compensation Committee will review comments of the Board with the Chief Executive Officer following each such meeting, as appropriate.

The Board believes that evaluation of the Chief Executive Officer should be a comprehensive process, based on both qualitative and quantitative factors, including performance of the business, accomplishments of long-term objectives, positioning of the Company for the future, development of management and leadership in the industry.

3. Based on the Chief Executive Officer's recommendation, the Compensation Committee shall review and approve adjustments to the base salary level, incentive compensation and benefits of the executives who are direct reports to the Chief Executive Officer.
4. The Compensation Committee shall have the authority to approve employment agreements with senior executives.
5. The Compensation Committee shall review and approve a compensation philosophy to include compensation and benefits policies, strategies, and pay levels necessary to support corporate objectives.
6. On the approval of the Board of Directors, the Compensation Committee shall retain outside consultants to assist in fulfilling its obligations.

### **IV. Meetings and Minutes**

The Compensation Committee shall hold meetings in person or telephonically at such times and with such frequency as it deems necessary to carry out its duties and responsibilities under this Charter, but in no event less than once a year. A majority of the members of the Compensation Committee shall constitute a quorum for the transaction of business by the Committee. The Compensation Committee may also act by unanimous written consent in accordance with the terms of the Company's By-Laws.

Minutes of each Compensation Committee meeting and records of all other Committee actions shall be prepared by the Secretary of the Company or, if the Secretary is not present at the meeting, any person appointed by the Chairman of the Compensation Committee, and shall be retained with the permanent records of the Company. A copy of Compensation Committee meeting minutes shall be provided to the Board of Directors once approved.

The Chairman of the Compensation Committee shall report to the Board at the next regularly scheduled meeting of the Board the deliberations, actions and recommendations of the Compensation Committee after each Committee meeting.

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The Compensation Committee shall review and reassess the adequacy of this Charter periodically and recommend any proposed changes to the Board for approval. The Compensation Committee shall review and assess on an annual basis the performance of this Committee in accordance with the Corporate Governance Guidelines.

The Compensation Committee's responsibilities and powers as delegated by the Board of Directors are set forth in this Charter. The Compensation Committee relies to a significant extent on the information and advice provided by management and independent advisors. Whenever the Compensation Committee takes an action, it exercises its independent judgment on an informed basis that the action is in the best interests of the Company and its shareholders.