

**CHARTER OF THE
COMPENSATION COMMITTEE
OF THE BOARD OF DIRECTORS OF
COMPUTER PROGRAMS AND SYSTEMS, INC.**

I. Purpose

The purpose of the Compensation Committee (the “Committee”) of the Board of Directors 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, administer the Corporation’s stock option plans (including reviewing, approving and recommending to the Board for approval stock option grants to executive officers), and oversee and administer the Corporation’s other equity-based plans.

II. Membership

The Committee shall be composed of not less than three (3) 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 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 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 of Directors 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.
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 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 stock option or other equity-based plans, including the review and grant of stock options to all eligible employees under the Corporation's existing stock option plan.
8. Provide and approve the Report of the Compensation Committee on Executive Compensation to be included in the Corporation's annual proxy statement.
9. 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.
10. 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 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.

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 independent compensation consultants, 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. *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.

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, 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.