

PROVINCE HEALTHCARE COMPANY

CHARTER

OF THE

COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS

1. Purpose

The Compensation Committee of Province Healthcare Company (the “Company”) is appointed by the Board of Directors (the “Board”) upon the recommendation of the Nominating and Governance Committee to discharge the responsibilities of the Board relating to the compensation of the Company’s directors and officers. The Compensation Committee (the “Committee”) has overall responsibility for approving and evaluating the director and officer compensation plans, policies and programs of the Company.

The Committee is also responsible for producing an annual report on executive compensation for inclusion in the Company’s proxy statement in accordance with the applicable rules and regulations of the Securities and Exchange Commission (“SEC”).

2. Composition

The Committee shall be comprised of no less than three directors, the exact number to be determined by the Board. Each Committee member shall meet the independence requirements of the SEC and the New York Stock Exchange (“NYSE”), as from time to time in effect.

In addition, each member of the Committee must be free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee.

The members of the Committee shall be appointed by the Board and serve until their successors are appointed. The Board shall have the power at any time to change the membership of the Committee and to fill vacancies in it, subject to the new member(s) satisfying the independence requirements of the SEC and NYSE. The members of the Committee, or the Board, shall designate a Chairman.

3. Meetings

The Committee will meet at least two times annually, and more frequently if circumstances dictate. The Committee should meet at least annually with the executive officers of the Company and other members of management in separate executive sessions to discuss any matters that the Committee or any of these persons believe should be discussed privately. The Committee may set its own rules of procedure and may delegate authority to subcommittees of its members. The Committee shall keep minutes of its actions.

4. Committee Authority and Responsibilities

- A. The Committee shall conduct its activities in accordance with the policies and principles set forth in the Company's Corporate Governance Principles.
- B. The Committee shall annually review and approve corporate goals and objectives relevant to the compensation of the Company's Chief Executive Officer ("CEO"), and other senior executive officers of the Company, evaluate the performance of such persons in light of those goals and objectives, and approve, or recommend to the independent directors the approval of, the compensation levels of such persons based on this evaluation and a comparison of the competitive employment market for comparable positions in comparable organizations. Annual incentives are based on various factors, including but not limited to budgeted earnings and growth targets of the Company as set in the beginning of each year by the Company. In determining the long-term incentive component of compensation, the Committee will consider the Company's performance and relative shareholder return, a comparison of similar incentive awards in the competitive employment market for comparable positions in comparable organizations, the awards given to such persons in past years, and such other matters as they may deem relevant.
- C. The Committee shall annually review and approve, for the CEO, and other senior executive officers of the Company, (a) the annual base salary levels, (b) annual incentives, (c) awards under the Company's 1997 Long-Term Equity Incentive Plan and Employee Stock Purchase Plan, as well as any additional incentive-compensation plans and equity based plans that may be adopted by the Company, (d) employment agreements, severance arrangements, and change in control agreements/provisions, in each case as, when and if appropriate, and (e) any special or supplemental benefits.
- D. The Committee shall approve compensation to directors for their services.
- E. The Committee shall make regular reports to the Board at least annually.
- F. The Committee shall have the sole authority to retain, at the Company's expense, and terminate any compensation consultant to be used to assist in the evaluation of director or executive compensation and shall have sole authority to approve the consultant's fees and other retention terms. The Committee also shall have authority to obtain advice and assistance from internal or external legal, accounting or other advisors at the Company's expense.
- G. The Committee shall administer, approve and ratify awards under the Company's 1997 Long-Term Equity Incentive Plan and Employee Stock Purchase Plan. In addition, the Committee shall adopt, administer, approve and ratify awards under any additional incentive compensation and stock plans, including amendments to the awards made under such plans, and review and monitor awards under such plans.
- H. The Committee shall review and re-assess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
- I. The Committee shall also have any and all additional authority to conduct such other actions or responsibilities delegated to it by the Board.

5. Annual Performance Evaluation

The Committee will conduct an annual self-evaluation to determine whether it is functioning effectively. The Committee will receive comments from all independent directors and report annually to the Board with an assessment of its performance. This assessment will be discussed with the full Board following the end of each fiscal year. The assessment will focus on the Committee's contribution to the Company and specifically focus on areas in which the Board or management believes the Committee could improve.

Recommended by the Compensation Committee on March 10, 2003 and adopted by the Board of Directors on March 11, 2003.