

**METROPOLITAN HEALTH NETWORKS, INC.**

**Compensation Committee**  
**Charter**

September 24, 2004

Pursuant to Section 607.0825 of the Florida Statutes and Article III, Section 10 of the Amended and Restated Bylaws of Metropolitan Health Networks, Inc., incorporated under the laws of the State of Florida (the "Corporation"), the following shall constitute the charter of the Compensation Committee of the Board of Directors of the Corporation (the "Charter"):

**ORGANIZATION**

There shall be constituted a standing committee of the Board of Directors of the Corporation (the "Board") to be known as the Compensation Committee (the "Compensation Committee").

**COMPOSITION AND SELECTION**

The Compensation Committee shall be comprised of at least three members of the Board who shall meet the independence requirements of the applicable provisions of the Securities and Exchange Act of 1934, the rules promulgated thereunder and the applicable rules of the American Stock Exchange, as may be modified or supplemented.

Notwithstanding the foregoing, one director who is not independent and is not a current officer or employee or a family member of a current officer or employee, may be appointed to the Compensation Committee if the Board, under exceptional and limited circumstances, determines that such individual's membership on the Compensation Committee is required by the best interests of the Corporation and its shareholders, and the Board discloses, in its proxy statement for the annual meeting of shareholders, the nature of the relationship and the reasons for the determination. A member appointed under this exception may serve no longer than two years.

The members of the Compensation Committee shall be appointed by a majority of the Board. Each member of the Compensation Committee shall be subject to annual reconfirmation and may be removed by the Board at any time. Unless a Chairperson is appointed by the Board, the members of the Compensation Committee shall designate a Chairperson by majority vote of the Compensation Committee.

The duties and responsibilities of Compensation Committee members contained herein shall be in addition to those duties otherwise required for members of the Board.

**STATEMENT OF PURPOSE**

The Compensation Committee is appointed by the Board to advise the Board with respect to the Corporation's compensation of directors, executive officers, non-officer employees, and consultants. The Compensation Committee has overall responsibility for evaluating and

administering director, executive officer and consultant compensation plans, policies and programs of the Corporation and making recommendations to the Board with respect thereto.

### **COMMITTEE OBJECTIVES**

The Compensation Committee's primary objectives include serving as an independent and objective party to review the compensation of the Corporation's directors, executive officers, non-officer employees and consultants and administer the Corporation's compensation plans.

### **COMMITTEE AUTHORITY AND RESPONSIBILITIES**

The Compensation Committee shall have the authority to retain and terminate any compensation consultant to be used to assist in the evaluation of director, President and Chief Executive Officer ("CEO") or senior executive officer compensation and shall review and approve the consultant's fees and other retention terms.

The Compensation Committee also shall have authority to obtain advice and assistance from internal or external legal, accounting or other advisors.

The Compensation Committee may form and delegate authority to subcommittees when appropriate.

The Compensation Committee shall:

1. Review annually and make recommendations to the Board with respect to corporate goals and objectives relevant to CEO compensation; evaluate the CEO's performance in light of those goals and objectives; recommend to the Board the CEO's compensation level based on this evaluation; and, in determining the long-term incentive component of the CEO's compensation, consider the Corporation's performance and relative shareholder return, the value of similar incentive awards to the CEO at comparable companies and the awards given to the CEO in past years;
2. Review annually and make recommendations to the Board with respect to the compensation, including individual salaries, bonuses and option grants of the Vice President and Chief Operating Officer, the Chief Financial Officer and the General Counsel and Secretary (collectively the "Senior Executive Officers");
3. Review annually and make recommendations to the Board with respect to the compensation of directors;
4. Review annually and make recommendations to the Board with respect to the compensation of all non-officer employees;
5. Make recommendations to the Board with respect to incentive-compensation plans and equity-based plans;
6. Administer the Corporation's 2001 Stock Option Plan, Supplemental Stock Option Plan,

Omnibus Equity Compensation Plan, and any other equity compensation plan that the Board of Directors may approve in the future (the “Option Plans”) and make recommendations to the Board with respect to: (a) the construction and interpretation of the Option Plans; (b) the establishment, amendment or waiver of rules and regulations for the administration of the Option Plans; (c) the eligibility of individuals participating in the Option Plans; (d) the terms and conditions of options granted under the Option Plans; (e) the acceleration of the exercisability of any option or the termination of any restriction under any option; (f) the amendment or termination of the Option Plans; and (g) all other determinations necessary or advisable for the Option Plans’ administration.

7. Review annually and make recommendations to the Board with respect to (a) the annual base salary level; (b) the annual incentive opportunity level; (c) the long-term incentive opportunity level; (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 relating to the CEO and Senior Executive Officers;
8. Produce or cause to be produced an annual report on executive compensation for inclusion in the Corporation’s proxy statement, in accordance with applicable rules and regulations;
9. Make regular reports to the Board;
10. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval; and
11. Annually review its own performance.; and
12. Perform such other functions as the Board may request.

### **MEETINGS**

The Compensation Committee shall meet as often as may be deemed necessary or appropriate in its judgment and that of the Board. The Chairman or a majority of the members of the Compensation Committee may call meetings of the Compensation Committee upon reasonable notice to all members of the Compensation Committee. All members of the Compensation Committee must be present at each Compensation Committee meeting either in person or via teleconference. All determinations and recommendations of the Compensation Committee shall require a majority vote. Minutes shall be kept of each meeting of the Compensation Committee. Following each meeting, the Compensation Committee shall report to the Board at the next regularly scheduled Board meeting, or sooner, as circumstances may dictate.

### **CONSISTENCY WITH ARTICLES OF INCORPORATION AND BYLAWS**

To the extent that any provision or section of this Charter may be inconsistent with any article, provision or section of the Articles of Incorporation or the Bylaws of the Corporation, the Articles of Incorporation or the Bylaws, as appropriate, shall fully control.