

**UNIVERSAL AMERICAN CORP.**  
**COMPENSATION COMMITTEE CHARTER**

**I. Purpose**

The Compensation Committee shall have direct responsibility for the compensation of the Company's officers. For this purpose, compensation shall include:

- annual base salary;
- annual incentive opportunity;
- stock option or other equity participation plans;
- profit-sharing plans;
- long-term incentive opportunity;
- the terms of employment agreements, severance arrangements, and change in control agreements, in each case as, when and if appropriate;
- any special or supplemental benefits; and
- any other payments that are deemed compensation under applicable SEC rules.

**II. Organization**

The Compensation Committee shall consist of three or more directors, each of whom shall satisfy the applicable independence requirements of the New York Stock Exchange and any other regulatory requirements. At least one member of the Compensation Committee shall have experience in matters relating to executive compensation either as a professional or as a business executive.

The members of the Compensation Committee shall be appointed by the Board. Members of the Compensation Committee may be removed at any time by action of the Board. The Compensation Committee's chairperson shall be designated by the Board. The Compensation Committee may form and delegate authority to subcommittees when appropriate.

**III. Meetings**

The Compensation Committee shall meet at least four times per year on a quarterly basis, or more frequently as circumstances require.

#### **IV. Authority and Responsibilities**

To fulfill its responsibilities, the Compensation Committee shall:

1. Review and approve for recommendation to the Board on an annual basis corporate goals and objectives relevant to the Chief Executive Officer ("CEO") and other Tier I and II officers, evaluate their performance in light of those goals and objectives and, either as a committee or together with the other independent directors as directed by the Board, determine and approve the CEO and Tier I and II compensation levels based on this evaluation. In determining the long-term incentive component of the CEO and Tier I and II officers' compensation, the Compensation Committee will also consider, among such other factors as it may deem relevant, the Company's performance, shareholder returns, the value of similar incentive awards to executive officers at comparable companies and the awards given to the CEO and Tier I and II officers in past years. The CEO shall not be present during voting or deliberations relating to the CEO's compensation.
2. Make recommendations to the Board with respect to the Company's incentive compensation plans and equity-based plans.
3. Approve compensation awards (with or without ratification or approval of the Board) for the CEO and Tier I and II officers as may be required to comply with applicable tax and state corporate laws.
4. Produce the report required by the Securities and Exchange Commission to be included in the Company's annual proxy statement, or, if the Company does not file a proxy statement, in the Company's Annual Report filed on Form I0-K with the Securities and Exchange Commission.
5. Review and reassess the adequacy of this Charter annually and recommend to the Board any changes deemed appropriate by the Compensation Committee.
6. Evaluate the Committee's performance annually.
7. Report regularly to the Board.
8. Perform any other activities consistent with this Charter, the Company's by-laws and governing law, as the Compensation Committee or the Board deems necessary or appropriate.

Nothing in this Charter shall preclude the Board from discussing CEO or non-CEO compensation generally or any other subject.

## **V. Resources**

The Compensation Committee shall have the sole authority to retain or terminate, and to determine the terms of engagement and the extent of funding necessary for payment of compensation to, any consultants retained to assist the Compensation Committee in the evaluation of director, CEO or senior executive compensation or otherwise to advise the Compensation Committee.