



Compensation Committee Charter

1. Overview

The Compensation Committee (the "**Committee**") of the Board of Directors (the "**Board**") of Medical Transcription Billing, Corp., a Delaware corporation (the "**Company**") is appointed by the Board to discharge the Board's responsibilities relating to:

- (a) Oversight of the Company's compensation policies, plans and benefits programs;
- (b) Evaluation and approval of the compensation of the Company's Chief Executive Officer ("**CEO**") and its Officers (as used in this Charter, the term "**Officer**" has the meaning ascribed to it in Rule 16a-1(f) under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"));
- (c) Evaluation and approval of executive officer compensation plans, policies and programs; and
- (d) Administration of the Company's equity-based compensation plans.

The Compensation Committee shall seek to ensure that the Company structures its compensation plans, policies and programs as to attract and retain the best available personnel for positions of substantial responsibility with the Company, to provide incentives for such persons to perform to the best of their abilities for the Company and to promote the success of the Company's business. The Compensation Committee is also responsible for producing an annual report on executive compensation for inclusion in the Company's annual report on form 10-K or proxy statement.

2. Organization, Membership Requirements and Compensation

- (a) The Committee shall be comprised of two or more directors.
- (b) The members of the Committee shall be appointed by the Board on the recommendation of the Nominating & Governance Committee and subject to the following requirements:
 - i. A director shall not serve as a member of the Committee if the CEO or another Officer of the Company serves on the compensation committee of another company that employs that director as an executive officer; and
 - ii. Members of the Committee must also meet the following criteria:
 - 1. The independence requirements established by the rules of The Nasdaq Stock Market, Inc. ("**Nasdaq**") or the New York Stock Exchange ("**NYSE**"), as applicable; provided that, at the direction and appointment of the Board, one or more members of the Committee need not be an independent member of the Board in accordance with such rules to the extent that the corporate governance phase-in rules of the United States Securities and Exchange Commission ("**SEC**") are then applicable, provided further that no member of the Committee shall be an employee of the Company;
 - 2. The non-employee director definition of Rule 16b-3 promulgated under Section 16 of the Exchange Act; and
 - 3. The outside director definition of Section 162(m) of the Internal Revenue Code of 1986, as amended (the "**IRC**").
 - iii. Such other qualifications as may be established by the Board from time to time, or as required by applicable law or the rules and regulations of the SEC or of Nasdaq or the NYSE, as applicable.
- (c) Committee members shall serve until their successors are duly elected and qualified or their earlier resignation or removal. Any Committee member who becomes disqualified from service on the Committee shall promptly notify the Chairperson of the Nominating & Governance Committee of such development and shall promptly resign from the Committee. Any member of the Committee may be recommended or replaced by the Board on the recommendation of the Nominating & Governance Committee.
- (d) Unless a chairperson is elected by the Board, the members of the Committee may designate a chairperson by the majority vote of the full Committee membership. The Committee may from time to time delegate duties or responsibilities to subcommittees or to one or more members of the Committee. Specifically, at its discretion, the Committee shall have the authority to designate a subcommittee for equity awards to non-officers with the authority to grant equity awards to non-officer employees of the Company within guidelines established by the Committee from time to time. Such subcommittee shall consist of a minimum of one member of the Board. If designated, any subcommittee will establish its own schedule and maintain written

minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board. The Committee shall not delegate to a subcommittee any power or authority required by law, regulation or listing standard to be exercised by the Committee as a whole.

(e) Members of the Committee shall receive such fees (in cash or equity or a combination thereof), if any, for their service as compensation Committee members as may be determined by the Board.

3. Authority and Responsibilities

The Committee shall have the authority and responsibility to:

(a) Review and approve annually all compensation for the CEO, other Officers and directors, including (a) annual base salary; (b) incentive compensation, whether cash or equity-based, including specific amounts; (c) equity awards; (d) employment agreements, severance arrangements, and change in control agreements/provisions; and (e) any other benefits, compensation or arrangements. In connection therewith, the Committee shall periodically review and advise the Board concerning regional, industry-wide and other relevant compensation practices and trends in order to assess the adequacy and competitiveness of the Company's compensation programs for the CEO, other Officers and directors relative to comparable companies in the Company's industry and geographic locations. Equity compensation arrangements involving executive officers that are "reporting persons" for purposes of Section 16a-1(f) of the Exchange Act shall be reviewed and approved by the Compensation Committee to ensure compliance with SEC Rule 16b-3. In evaluating and determining CEO and other Officer compensation, the Committee shall consider the results of the most recent stockholder advisory vote on executive compensation required by Section 14A of the Exchange Act, if any. An Officer, including the CEO, may not be present during deliberations or voting on such officer's compensation;

(b) Develop quarterly, annual and/or long-term performance objectives and goals relevant to the compensation of the CEO and other Officers and evaluate the performance of the CEO and other Officers in light of these goals and objectives;

(c) Review, approve and administer annual and long-term incentive compensation plans for service providers of the Company, including Officers and other senior executives by (i) establishing performance objectives and certifying performance achievement; and (ii) reviewing and approving all equity incentive plans and grant awards of shares and stock options pursuant to such plans; the Committee shall also have the ability to adopt, amend and terminate such plans, subject to any contrary terms of such plans;

(d) Administer the Company's equity-based incentive plans. In its administration of the plans, the Committee authority includes, but is not limited to (i) granting options, share appreciation rights, restricted stock, restricted stock units and any other form of equity-based compensation instruments as authorized under the Company's equity-based incentive plans to individuals eligible for such grants and in accordance with procedures and guidelines as may be established by the Board; (ii) amending such equity-based compensation instruments; (iii) establishing any rules, eligibility requirements or other variable parameters under the Company's equity-based compensation plans; and (iv) interpreting such plans when and to the extent that questions of interpretation arise. The delegation of authority to administer such plans is exclusive to the Committee as it relates to Officers and directors, and nonexclusive as it relates to other eligible participants in such plans. The Committee shall also make recommendations to the Board with respect to amendments to the plans and changes in the number of shares reserved for issuance thereunder;

(e) Authorize the repurchase of shares from terminated employees pursuant to applicable law;

(f) Periodically review with the CEO and other senior management the Company's compensation philosophy and policies as they relate to individuals other than the Officers and directors;

(g) Approve all employment, severance, or change-in-control agreements, special or supplemental benefits, or provisions including the same, applicable to Officers. Executive officers, including the CEO, may not be present during deliberations or voting on such matters to the extent such matters relate to the compensation of such officers;

(h) Review on a periodic basis the operations of the Company's executive compensation programs to determine whether they are properly coordinated and achieving their intended purpose(s); such review will involve: (i) conducting comparative analyses of total compensation relative to market; (ii) quantifying maximum payouts to executives under performance-based incentive plans and total payments under a variety of termination conditions, including upon a change-in-control; and the impact of tax and accounting rules changes;

(i) Establish and periodically review policies for the administration of executive compensation programs;

(j) Take steps to modify any executive compensation program that yields payments and benefits that are not reasonably related to executive and corporate performance;

- (k) If applicable, review and recommend to the Board for approval the frequency with which the company will conduct stockholder advisory votes on executive compensation ("**Say on Pay Vote**"), taking into account the results of the most recent stockholder advisory vote on frequency of Say on Pay Votes required by Section 14A of the Exchange Act, and review and approve the proposals regarding the Say on Pay Vote and the frequency of the Say on Pay Vote to be included in the Company's proxy statement;
- (l) Evaluate director compensation and make recommendations to the Board regarding director compensation;
- (m) Review and discuss annually with management the risks arising from the Company's compensation philosophy and practices applicable to all employees to determine whether they encourage excessive risk-taking and to evaluate compensation policies and practices that could mitigate such risks;
- (n) Produce for inclusion in the Company's proxy statement, (i) an annual report on executive compensation or (ii) such other compensation discussion and analysis as may be required in accordance with applicable rules and regulations;
- (o) Provide oversight with respect to executive officer succession plans and planning, and work with the Board in evaluating potential successors to executive officer positions;
- (p) Review and reassess the adequacy of this Charter and the Committee's processes on an annual basis, and make recommendations to the Board, as appropriate, as a result of such review and assessment;
- (q) Review with the Company's Nominating & Governance Committee the appropriate criteria for review of the Committee's performance and, in conjunction with the Nominating & Governance Committee, evaluate the Committee's performance annually; and
- (r) Perform such other activities consistent with this Charter, the Company's organizational documents and governing law, as the Committee or the Board deems necessary or appropriate.

In the exercise of its duties hereunder, the Committee shall have the authority to obtain advice or assistance from consultants, legal counsel, accounting or other advisors, including the sole authority to retain or terminate any consulting firm used to evaluate director, CEO or executive compensation, and to approve the terms of engagement, and the fees and costs of such consultant and advisors. Any compensation consultant selected and retained by the Committee must be independent of the Company pursuant to the applicable rules and regulations of the SEC or the Nasdaq or the NYSE, as applicable. The fees and cost of any such engagement shall be borne by the Company.

4. Meetings

The Committee shall meet as often as it deems appropriate, but not less frequently than once each quarter. The Chairperson of the Committee shall preside at each meeting. The Chairperson will approve the agenda for the Compensation Committee's meetings and any member may suggest items for consideration. If a chairperson is not designated or present, an acting chair may be designated by the Committee members present. The Committee shall maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.

A majority of the members of the Committee shall represent a quorum of the Committee, and, if a quorum is present, any action approved by at least a majority of the members present shall represent the valid action of the Committee. Any actions taken by the Committee during any period in which one or more members fail for any reason to meet the membership requirements set forth above shall be nonetheless duly authorized actions of the Committee for all corporate purposes.

The Committee may take action by written consent (which may include electronic consent) in lieu of a meeting in accordance with the Company's Bylaws, provided that any such action, to be effective, must be unanimously approved by the members of the Committee. Actions taken by written consent shall be deemed effective when the latest consent is executed.

5. Reports

The Committee shall make regular reports to the full Board on the actions and recommendations of the Compensation Committee.

Adoption & Amendment History

Adopted by the Board of Directors on 4-2-14