



COMPENSATION COMMITTEE CHARTER

I. FORMATION AND STATEMENT OF PURPOSE.

1) Formation of Compensation Committee. The Board of Directors (the "Board") of Pacer Health Management Corporation (the "Company") adopted this Charter as the Compensation Committee's (the "Committee's") Charter in August 2005.

2) Committee's Statement of Purpose and Responsibilities. The Board believes that there is a substantial and meaningful connection between executive compensation and stockholder value and that the long term success of the Company is enhanced by a comprehensive compensation philosophy that includes different types of incentives for motivating executives and rewarding outstanding service, including awards that link compensation to applicable measures of Company performance. The Committee has direct responsibility for reviewing and approving Company goals and objectives relevant to the compensation of the Chief Executive Officer, evaluating the Chief Executive Officer in light of those goals and objectives, and either as a Committee or together with the other independent directors of the Board (as directed by the Board), determining and approving the compensation level of the Chief Executive Officer based on such evaluation. The Committee also has the direct responsibility for making recommendations to the Board with respect to non-Chief Executive Officer executive officer compensation and incentive-compensation and equity based plans that are subject to Board approval. In addition, the Committee is responsible for producing an annual report on executive officer compensation as required by the Securities and Exchange Commission to be included in the Company's annual proxy statement or Annual Report on Form 10-K filed with the Securities and Exchange Commission, and performing such other tasks as are consistent with this Charter.

II. ORGANIZATION.

1) Composition of Committee Members; Independence Requirement. The Committee shall consist of at least two (2) members of the Board, and all Committee members shall be independent.

2) Election and Term of Committee Members. Each Committee member shall be appointed by resolution, adopted by the majority of the entire Board, and shall hold office at the pleasure of the Board and until his or her successor has been duly appointed and qualified, or until his or her prior resignation or removal.

3) Removal or Resignation. Any Committee member may be removed with or without cause by vote of the majority of the entire Board. Any member of the Committee may resign from the Committee at any time by giving written notice to the Board or the Board's Chairman. Unless otherwise specified in the notice, the resignation shall take

effect upon receipt thereof by the Board or the Chairman, and the acceptance of the resignation shall not be necessary to make it effective. The resignation of a director as a Committee member shall not constitute such director's resignation from the Board.

4) Place, Time, and Procedural Matters of Committee Meetings. The Committee should meet a minimum of three (3) times per year. One Committee member shall serve as the Chair of the Committee and the Board shall determine which member shall be the Chair. The Committee will meet at such times and places as shall be determined by the Chair, or as may be requested by any two Committee members, upon three (3) days notice to each member personally, by mail or by written telecommunication. The agenda of each Committee meeting will be prepared under the direction of the Chair and, whenever reasonably practicable, circulated to each Committee member prior to the meeting date. The Chair will preside, when present, at all Committee meetings. As necessary or desirable, the Chair shall request that members of management, general counsel, and such other persons as the Committee shall determine be present at any Committee meeting or make presentations to the Committee.

5) Action by the Committee. A majority of the Committee shall constitute a quorum. Any action required or permitted to be taken at any Committee meeting may be taken without a meeting if all members of the Committee consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Committee. Members of the Committee may participate in a Committee meeting by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other, and participation in a meeting by these means shall constitute presence in person at the meeting.

6) Minutes. Minutes shall be prepared for all meetings of the Committee to document the Committee's discharge of its responsibilities. The minutes shall be circulated in draft form to all Committee members to ensure an accurate final record, and shall be approved as presented or as modified at the next Committee meeting.

III. ROLES AND RESPONSIBILITIES.

The primary roles and responsibilities of the Committee shall be as follows:

1) Chief Executive Officer Compensation. The Committee shall review and approve Company goals and objectives relevant to the compensation of the Chief Executive Officer, evaluate the Chief Executive Officer's performance in light of those goals and objectives, and either as a Committee or together with the other independent directors of the Board (as directed by the Board), determine and approve the Chief Executive Officer's compensation level based on such evaluation. In determining the long-term incentive component of the Chief Executive Officer's compensation, the Committee shall consider the Company's performance and relative stockholder return, the value of similar incentive awards to chief executive officers of comparable companies, and the awards given to the Company's Chief Executive Officer in past years.

2) Annual Report. The Committee shall produce an annual report on executive compensation as required by the Securities and Exchange Commission for inclusion in

the Company's annual proxy statement or Annual Report on Form 10-K filed with the Securities and Exchange Commission.

3) Compensation Plans. The Committee shall make recommendations to the Board with respect to incentive-compensation and equity based plans that are subject to Board approval.

4) Executive Compensation Review. The Committee shall review annually and make recommendations to the Board with respect to the compensation of the Company's executive officers other than the Chief Executive Officer, including compensation pursuant to incentive-compensation and equity based plans. The Committee shall also review the appropriateness of Company policies and practices utilized to reimburse officers' and other executives' expenses and covering other perquisites (including the use of corporate assets).

5) Director Compensation Review. The Committee shall from time to time review and make recommendations to the Board with respect to the compensation of directors.

6) Employee Stock Options. The Committee shall from time to time make recommendations to the Board of awards to employees of stock or stock options pursuant to any of the Company's stock option or stock-related plans now or hereafter in effect. The Committee shall exercise such power and take such actions as may be permitted or required to be taken by the Board pursuant to such plans.

7) Committee Performance Oversight. The Committee shall conduct on an annual basis a performance evaluation and review of the Committee.

8) Committee Member Qualifications. The Committee shall evaluate and review on a regular basis Committee member qualifications, appointment and removal and Committee structure and operations, including the authority to delegate to subcommittees.

9) Authority to Retain Compensation Consultant. The Committee shall have the sole authority to retain and terminate any compensation consultant to assist in the evaluation of director, Chief Executive Officer or executive officer compensation and shall have the sole authority to approve such compensation consultant's fees and other retention terms.

10) Committee Charter Evaluation. The Committee shall review and assess the adequacy of this Charter on an annual basis and shall recommend any proposed changes to the Board for approval.

IV. REPORTING.

The Committee shall report to the Board on a regular basis, outlining its activities since the previous meeting. This report shall discuss any specific findings observed and actions the Committee has taken as well as the Committee's plans for future meetings.

V. COMPLIANCE.

All actions of the Committee and all power and authority granted by this Charter are subject to any restrictions and obligations which may be contained in the Company's Certificate of Incorporation or Bylaws, the Securities Exchange Act of 1934, as amended, and other applicable laws, rules and regulations.

Committee Members

Alfredo Jurado
Eugene Marini