

## **Liberator Medical Holdings, Inc.**

### **Compensation Committee Charter**

**As Adopted August 19, 2010,  
and Amended September 12, 2013**

#### **Role**

The purpose of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Liberator Medical Holdings, Inc. (the “Company”) is to:

- determine and approve the compensation of the Company’s Chief Executive Officer (the “CEO”) and other executive officers;
- approve, or recommend to the Board that it approve, the Company’s incentive compensation and equity-based plans;
- assist the Board in its oversight of the development, implementation and effectiveness of the Company’s policies and strategies relating to its human capital management function, including but not limited to those policies and strategies regarding recruiting, retention, career development and progression, management succession (other than that within the purview of the Corporate Governance and Nominating Committee), diversity and employment practices; and
- assist in the preparation of any report on executive compensation required by the rules and regulations of the Securities and Exchange Commission (the “SEC”).

#### **Membership**

The Committee shall consist of no fewer than two (2) members of the Board, all of whom shall each have been determined by the Board to be “independent” under the rules of the SEC and NYSE Amex, or, alternatively, if the members of the Committee are not all independent, then the Committee shall be comprised of a majority of the Board’s independent directors. Notwithstanding the foregoing, in accordance with NYSE Amex Rules Section 806, one director who is not independent under NYSE Amex Rules Section 803A may be a member of the Committee if the Board determines, under exceptional and limited circumstances, determines that membership on the committee is required by the best interests of the Company and its shareholders, and disclosure is made in the Company’s proxy statement or Annual Report on Form 10-K. No member of the Committee may (except in his or her capacity as a member of the Committee, the Board of any other Board committee) receive, directly or indirectly, any consulting, advisory or other compensatory fee from the Company, other than fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the

Company (provided that such compensation is not contingent in any way on continued service).

Members shall be appointed by the Board, shall serve at the pleasure of the Board and for such term or terms as the Board may determine, and may be removed by the Board at any time with or without cause.

### **Structure and Operations**

The Board shall designate one (1) member of the Committee as its chairperson. The Committee shall meet at least annually, with further meetings to occur, or actions to be taken by unanimous written consent, when deemed necessary or desirable by the Committee or its chairperson. The Committee shall be governed by the rules governing the Board unless otherwise provided in this Charter, by SEC or NYSE Amex.

The Committee may invite such members of management and other persons to its meetings as it may deem desirable or appropriate. The Committee shall report regularly to the Board summarizing the Committee's actions and any significant issues considered by the Committee.

The Company's Chief Executive Officer ("CEO") may not be present during voting or deliberations of the Committee.

### **Responsibilities**

The following are the duties and responsibilities of the Committee:

1. In consultation with senior management, to review and approve, or recommend to the Board that it approve, the Company's general compensation philosophy, including the goals and objectives thereof, and to oversee the development and implementation of compensation programs.
2. To review and approve those corporate goals and objectives established by the Board that are relevant to the compensation of the CEO, evaluate the performance of the CEO in light of those goals and objectives, and determine and approve, or recommend to the Board that it determine and approve, the CEO's compensation. As part of its evaluation, the Committee may consider any evaluation of the CEO conducted by the Corporate Governance and Nominating Committee. In reviewing the long-term incentive component of CEO compensation, the Committee shall consider, among other factors, the Company's performance and relative shareholder return, the value of similar incentive awards to chief executive officers at the Company's principal competitors and other comparable companies, the awards given to the CEO in past years, and the Company's risk management policies and practices.

3. To review and approve, or recommend to the Board that it review and approve, the annual compensation of the Company's other executives and any new compensation programs applicable to such executives, to make recommendations to the Board with respect to the Company's incentive compensation and equity-based plans that are subject to Board approval, including any employee stock plan or other compensation plan, to oversee the activities of the individuals responsible for administering these plans, and to discharge any responsibilities imposed on the Committee by these plans.
4. To review periodically, as it deems appropriate, and to make recommendations to the Board, also as it deems appropriate:
  - benefits and perquisites provided to the Company's executives; and
  - employment agreements, severance arrangements, change in control agreements and provisions, and other compensation-related agreements relating to the Company's executives.
5. To take any actions the Committee deems necessary and appropriate to help ensure that the Company's incentive compensation programs are consistent with the safety and soundness of the Company.
6. To discuss with management periodically, as it deems appropriate:
  - reports from management regarding the development, implementation and effectiveness of the Company's policies and strategies relating to its human capital management function, including but not limited to those policies and strategies regarding recruiting, retention, career development and progression, management succession (other than that within the purview of the Corporate Governance and Nominating Committee), diversity and employment practices; and
  - reports from management relating to compensation guarantees.
7. To discharge any other duties or responsibilities delegated to the Committee by the Board from time to time.

## **Reports**

The Committee shall produce the following reports and evaluations and provide them to the Board:

1. Any report or other disclosures required to be prepared by the Committee pursuant to the rules of the SEC for inclusion in the Company's annual proxy statement.

2. An annual performance evaluation of the Committee, which evaluation may be written or oral, and which shall compare the performance of the Committee with the requirements of this charter. The performance valuation shall also include a review of the adequacy of this charter and shall recommend to the Board any revisions the Committee deems necessary or desirable, although the Board shall have the sole authority to amend this charter. The performance evaluation shall be conducted in such manner as the Committee deems appropriate.

#### Delegation to Subcommittee

The Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee of the Committee, whether or not such delegation is specifically contemplated under any plan or program. In particular, the Committee may delegate the approval of award grants and other transactions and other responsibilities regarding the administration of compensatory programs to a subcommittee consisting solely of members of the Committee who are (i) “non-employee directors” for the purposes of Rule 16b-3, and/or (ii) “outside directors” for the purposes of Section 162(m). The Committee shall meet as a subcommittee without any member whose compensation or evaluation is being considered by the Committee.

#### Resources and Authority of the Committee

The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to select, retain, terminate and approve the fees and other retention terms of special counsel or other experts or consultants, as it deems appropriate, without seeking approval of the Board or management. With respect to compensation consultants retained to assist in the evaluation of CEO or executive compensation, this authority shall be vested solely in the Committee.