

APOLLO MEDICAL HOLDINGS, INC.

COMPENSATION COMMITTEE CHARTER

This Compensation Committee Charter (this “Charter”) was adopted by the Board of Directors (the “Board”) of Apollo Medical Holdings, Inc. (the “Company”) on December 2, 2014.

I. PURPOSE

The Compensation Committee (the “Committee”) is appointed by the Board to assist the Board in discharging its responsibilities relating to compensation of the Company’s officers and directors. The Committee has overall responsibility for approving and evaluating all compensation plans, policies and programs of the Company as they affect the directors and officers.

II. MEMBERSHIP

The Committee shall consist of at least three directors. Each member of the Committee shall be independent in accordance with the independence requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and the applicable rules and regulations promulgated thereunder by the Securities and Exchange Commission (the “SEC”), as well as the rules and listing requirements of the NASDAQ Stock Market.

All Committee members must qualify as “non-employee directors” for the purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and as “outside directors” for the purposes of Section 162(m) of the Internal Revenue Code, as amended.

The members of the Committee and the Chairman of the Committee shall be appointed by the Board and shall serve until their successors shall be duly appointed and qualified by the Board.

The Board shall appoint a new member or members in the event of a vacancy on the Committee that reduces the number of members below three, or in the event that the Board determines that the number of members of the Committee should be increased. The Board may remove any member from the Committee at any time with or without cause.

III. AUTHORITY AND RESPONSIBILITIES

The Committee has overall responsibility for evaluating and approving the structure, operation and effectiveness of the Company’s compensation plans, policies and programs for officers and directors, including:

- A. Approving all employment agreements, consulting agreements or other similar agreements for the Chairman of the Company (if any is appointed from time to time) (the “Chairman”), the Chief Executive Officer (the “CEO”) and other executives required to be named in the Company’s proxy statements (collectively, the “Executives”), and reviewing and approving the allocation of compensation relative to any hospitalist or similar agreements of the Executives.
- B. Annually reviewing, evaluating and approving corporate goals and objectives relevant to the Chairman’s and the CEO’s compensation, evaluating the Chairman’s and the CEO’s performance in light of those goals and objectives, and determining and approving the CEO’s and the Chairman’s compensation based on this evaluation in accordance with their

employment, consulting or other similar agreements, if any. In determining the long-term incentive component of the Chairman's and the CEO's compensation, the Committee will consider the Company's and the Chairman's and the CEO's performance, relative shareholder return, the value of similar incentive awards to Chairmen and CEOs at comparable companies, and awards given in past years, among other factors;

- C. Reviewing annually and approving for the other Executives named in the Company's proxy statement: (1) the annual base salary level, (2) the annual incentive opportunity level, (3) the long-term incentive opportunity level, (4) severance arrangements and change in control agreements/provisions if appropriate, and (5) any special or supplemental benefits;
- D. Reviewing annually management's recommendations and make its own recommendations to the Board with respect to the compensation of all Executives, including all compensation, incentive compensation plans, equity-based plans as well as the individuals or groups of individuals receiving awards under incentive-based compensation plans, such as cash bonuses, and equity-based plans; provided, however, that the Committee shall have full decision-making powers with respect to compensation intended to be performance-based compensation within the meaning of Section 162(m) of the Internal Revenue Code;
- E. Receiving periodic reports on the Company's compensation programs as they affect all employees;
- F. Approving grants under the Company's long-term incentive plan for all Executives;
- G. Overseeing the Company's compliance with SEC rules and regulations regarding shareholder approval of certain executive compensation matters, including advisory votes on executive compensation and the frequency of such votes, and the requirement under the NASDAQ Stock Market rules that, with limited exceptions, shareholders approve equity compensation plans;
- H. Reviewing the Company's incentive compensation arrangements to determine whether they encourage excessive risk-taking, reviewing and discussing the relationship between risk management policies and practices and compensation, and evaluating compensation policies and practices that could mitigate any such risk;
- I. Making recommendations to the Board regarding director compensation or compensation for membership on any committee of the Board;
- J. Making regular reports to the Board; and
- K. If and to the extent applicable under SEC rules, producing an annual report on executive compensation stating whether the Committee reviewed the Compensation Discussion and Analysis ("CD&A") prepared by management and discussed it with management, and whether, based on such review and discussions, the Committee recommended to the Board that such CD&A be included in the Company's annual proxy statement or annual report on Form 10-K filed with the SEC, as well as any other disclosure required in accordance with applicable laws, rules, regulations and listing standards.

The Committee shall also perform such additional duties and have such additional responsibilities and functions as the Board may from time to time determine.

IV. OUTSIDE ADVISORS

The Committee shall have the authority, in its sole discretion, to select, retain and obtain the advice of compensation consultants, legal counsel and other advisers as necessary to assist with the execution of its duties and responsibilities as set forth in this Charter. The Committee shall set the compensation, and oversee the work, of such compensation consultant, legal counsel and other advisers. The compensation consultants, legal and any other advisers (except legal counsel), retained by the Committee shall be independent in accordance with the independence requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and the applicable rules and regulations promulgated thereunder by the SEC as well as any applicable listing requirements of the NASDAQ Stock Market. In determining the independence of its advisers, the Compensation Committee must consider the following independence factors:

- A. Other services provided to the Company by the advisory firm;
- B. The amount of fees paid by the Company to the advisory firm as a percentage of the firm's total revenues;
- C. The policies and procedures of the advisory firm that are designed to prevent conflicts of interest;
- D. Any business or personal relationship between the advisory firm or any officer of the advisory firm and a member of the Committee; and
- E. Any stock of the Company owed by an applicable member of the advisory firm.
- F. The Committee may use legal counsel who is not independent if it so desires.
- G. The Committee shall receive appropriate funding from the Company, as determined by the Committee in its capacity as a committee of the Board, for the payment of compensation to its compensation consultants, legal counsel and any other advisers.

V. OPERATIONS

The Committee shall meet as often as it deems desirable. The Committee shall take written minutes of its meetings and activities and submit such minutes to the Secretary of the Company for filing. The Committee Chairman shall preside at each meeting and shall report to the Board as requested by the Chairman of the Board. In the event the Committee Chairman is not present at a meeting, the Committee members present at that meeting shall designate one member as the acting chair of such meeting.

The Committee shall be governed by the same rules regarding meetings (including meetings in person or by telephone or other similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board.

The Committee may invite such members of management to its meetings as it deems appropriate. However, the Committee shall meet regularly without such members present, and such management members shall not be present at meetings at which their compensation or performance is discussed or determined or under circumstances when the independence of Committee determinations may be compromised.

VI. DELEGATION OF AUTHORITY

The Committee shall have the authority to delegate any of its responsibilities, along with the authority to take action in relation to such responsibilities, to one or more subcommittees as the Committee may deem appropriate in its sole discretion.

VII. PERFORMANCE EVALUATION

The Committee shall perform a periodic review and evaluation of the performance of the Committee and its members, including the compliance of the Committee with this Charter. In addition, the Committee shall review and reassess periodically (and no less frequently than annually) the adequacy of this Charter and recommend to the Board any improvements to this Charter that the Committee considers necessary or desirable. The Committee shall conduct such evaluations and reviews in such manner, and at such times, as it deems appropriate.