

COMPENSATION COMMITTEE CHARTER

This charter (the “Charter”) sets forth the duties and responsibilities and governs the operations of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Grady Memorial Hospital Corporation (the “Corporation”), a nonprofit corporation organized and existing under the Georgia Nonprofit Corporation Code.

I. Purpose

The Committee’s purpose is to assist the Board in developing and implementing compensation strategies, policies and plans that will enhance the Corporation’s ability to attract and retain skilled executive officers, officers and employees.

II. Duties and Responsibilities

The Committee’s primary Duties and responsibilities are as follows:

A. *Executive Compensation*

1. Review and recommend to the Board the compensation (including base salary, incentive compensation and other benefits) of the Chief Executive Officer, considering the performance by the Chief Executive Officer relative to goals and objectives set by the Committee.

2. Review and recommend to the Board the compensation (including base salary, incentive compensation and other benefits) of each other executive officer, considering the performance by each executive officer relative to applicable goals and objectives set by the Committee.

3. Recommend to the Board for approval a determination of those officers whose compensation will be set by the Chief Executive Officer or other executive officers. Review and evaluate the compensation of those officers of the Corporation whose compensation is not set by the Board.

4. Review and recommend to the Board for approval management incentive plans and other executive compensation plans. Recommend to the Board any necessary or desirable changes to such plans.

5. Administer management incentive plans and other executive compensation plans approved by the Board, including review and approval of awards under such plans.

6. Establish goals, objectives and performance standards relating to compensation of executive officers and as may be required by management incentive and other executive compensation plans.

B. Employee Compensation and Plans

1. Review the compensation strategy, plans and programs of the Corporation as they relate to employees in general. Provide guidance with respect to general compensation goals and operating principles relating to employees in general.

2. Periodically review relevant comparative data to assess the Corporation's compensation practices, including salary levels, in comparison to compensation practices of comparable corporations that provide healthcare services.

3. Review annually all significant benefit plans that apply to employees generally.

C. General

1. Perform any other duties and responsibilities as the Board may deem necessary, advisable or appropriate for the Committee to perform.

2. Perform such other duties and responsibilities as the Committee deems appropriate to carry out its purpose as provided in this Charter.

3. Report on a regular basis, but no less frequently than annually, to the Board concerning the Corporation's compensation affairs. Urgent and time sensitive matters shall be reported at the next regular or special Board meeting.

III. Organization

The Committee's members shall be appointed in accordance with the applicable provisions of the Bylaws and the Corporate Governance Principles adopted by the Corporation's Nominating and Governance Committee, except that each member of the Committee (i) shall be "independent", as determined by the Board, applying the definition of that term under the rules of the New York Stock Exchange, and (ii) shall be "independent" under the Corporate Governance Principles.

The Committee's membership, the chairperson, the call and conduct of Committee meetings, the preparation of Committee minutes, and the Committee's other activities shall be appointed, conducted and accomplished in accordance with applicable provisions of the Bylaws and the Corporate Governance Principles adopted by the Corporation's Nominating and Governance Committee.

IV. Performance Evaluation

The Committee shall prepare and review with the Board an annual performance evaluation of the Committee, which evaluation shall compare the performance of the Committee with the requirements of this Charter. The performance evaluation shall also recommend to the Board any amendments to this Charter deemed necessary or desirable by the Committee. The performance evaluation shall be conducted in such manner as the Committee deems appropriate. The report to the Board may take the form of an oral report by the chairperson or any other member of the Committee designated by the Committee to make the report.

V. Resources and Authority of the Committee

The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the sole authority to select, retain, terminate, and approve the engagement and other retention terms of special counsel or other experts or consultants, as it deems appropriate.

VI. Amendment

This Charter shall not be amended except upon approval by the Board.

Adopted by the Board on _____, 2008.