

**SELECT MEDICAL HOLDINGS CORPORATION
SELECT MEDICAL CORPORATION**

**AMENDED AND RESTATED
COMPENSATION COMMITTEE CHARTER**

(Reviewed and Adopted on February 12, 2020)

**SELECT MEDICAL HOLDINGS CORPORATION
SELECT MEDICAL CORPORATION
AMENDED AND RESTATED
COMPENSATION COMMITTEE CHARTER**

Purpose.

The Compensation Committee is appointed by the Board of Directors (“the Board”) of Select Medical Corporation and Select Medical Holdings Corporation (together, the “Company”) to discharge the Board’s responsibilities relating to the compensation of the Company’s executive officers and directors. The Compensation Committee has overall responsibility for evaluating and approving the Company’s executive officer and director compensation plans, policies and programs, as well as all equity-based compensation plans and policies. The Compensation Committee is also responsible for preparing an annual report on executive compensation for inclusion in the Company’s annual report on Form 10-K and proxy statement filed with the Securities and Exchange Commission (the “SEC”).

Composition.

The Compensation Committee shall consist of no fewer than two (2) members. Each member of the Compensation Committee shall satisfy the independence requirements established by the New York Stock Exchange (the “NYSE”) (including that the Company may avail itself of any cure period contained in Section 303A of the NYSE Listed Company Manual with respect to the Compensation Committee and Exchange Act Rule 10C-1(a)(3)), and meet the definitions of “non-employee director” for purposes of Rule 16b-3 promulgated by the SEC under the Securities Exchange Act of 1934, as amended, and “outside director” for purposes of Section 162(m) of the Internal Revenue Code. In affirmatively determining the independence of any director who will serve on the Compensation Committee, the Board shall consider all factors specifically relevant to determining whether such director has a relationship to the Company which is material to his or her ability to be independent from management in connection with the duties of a member of the Compensation Committee, including, but not limited to:

1. The source of compensation of such director, including any consulting, advisory or other compensatory fee paid by the Company to such director; and
2. Whether such director is affiliated with the Company, a subsidiary of the Company or an affiliate of a subsidiary of the Company.

The members of the Compensation Committee shall be appointed by the full Board based on the recommendation of the Company’s Nominating Committee. Compensation Committee members may be removed and replaced by the Board. The Board shall designate one member of the Compensation Committee to serve as its chair.

Meetings of the Committee.

The Compensation Committee shall meet at least twice annually, or more frequently as circumstances dictate. Special meetings may be convened as the Compensation Committee deems necessary or appropriate. The Compensation Committee may invite to any of its meetings other

directors, members of Company management and such other persons as it deems appropriate in order to carry out its responsibilities.

The Compensation Committee shall report to the Board at each regularly scheduled Board meeting on significant results of its activities.

A majority of the members of the Compensation Committee shall constitute a quorum to transact business. Members of the Compensation Committee may participate in a meeting of the Compensation Committee by means of telephone conference call or similar communications equipment by means of which all persons participating in the meeting can hear and understand each other. Except in extraordinary circumstances as determined by the Compensation Committee's chair, notice shall be delivered to all Compensation Committee members at least forty eight (48) hours in advance of the scheduled meeting.

The affirmative vote of a majority of the members of the Compensation Committee present at the time of such vote will be required to approve any action of the Compensation Committee. Subject to the requirements of any applicable law, regulation or NYSE rule, any action required or permitted to be taken at a meeting of the Compensation Committee may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the members of the Compensation Committee. Such written consent shall have the same force as a unanimous vote of the Compensation Committee.

The Compensation Committee may, in its discretion, utilize the services of the Company's regular corporate legal counsel with respect to legal matters or, at its discretion, retain other legal, accounting or other advisors if the Compensation Committee determines that such counsel or advisor is necessary or appropriate under the circumstances. The Compensation Committee shall have sole authority to approve all fees and terms of engagement of such advisors, and the Company shall provide sufficient funding for the payment of any such advisors retained by the Compensation Committee.

Committee Authority and Responsibilities.

1. The Compensation Committee shall have the sole authority to retain at the expense of the Company and terminate any compensation consultant used to assist the Company, the Board or the Compensation Committee in the evaluation of the compensation of the Company's chief executive officer ("CEO"), or any other executive officer or director of the Company and shall have sole authority to approve such consultant's fees and other retention terms.
2. The Compensation Committee shall have the authority, to the extent it deems necessary or appropriate to carry out its responsibilities, to retain at the expense of the Company independent legal, accounting, actuarial or other advisors. The Compensation Committee shall have the sole authority to approve such advisors' fees and other retention terms.
3. Except as otherwise provided under the NYSE rules, the Compensation Committee shall consider all factors relevant to the independence from management of any compensation consultant or legal, accounting, actuarial or other advisor, including the following:

- (a) The provision of other services to the Company by the person that employs the compensation consultant, legal counsel or other adviser;
 - (b) The amount of fees received from the Company by the person that employs the compensation consultant, legal counsel or other adviser, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other adviser;
 - (c) The policies and procedures of the person that employs the compensation consultant, legal counsel or other adviser that are designed to prevent conflicts of interest;
 - (d) Any business or personal relationship of the compensation consultant, legal counsel or other adviser with a member of the Compensation Committee;
 - (e) Any stock of the Company owned by the compensation consultant, legal counsel or other adviser; and
 - (f) Any business or personal relationship of the compensation consultant, legal counsel, other adviser or the person employing the adviser with an executive officer of the Company.
4. The Compensation Committee shall have the authority to confer with Company management and other Company employees to the extent it deems necessary or appropriate to fulfill its responsibilities. The Compensation Committee is authorized to conduct or initiate inquiries or investigations into any matters within the Compensation Committee's scope of responsibilities and shall have full access to the books, records, facilities and personnel of the Company.
5. The Compensation Committee shall annually review and approve corporate goals and objectives relevant to the compensation of the Executive Chairman, Vice Chairman and CEO, evaluate the performance of the Executive Chairman, Vice Chairman and CEO in light of those goals and objectives, and determine and approve the compensation level of the Executive Chairman, Vice Chairman and CEO based on this evaluation. In determining the long-term incentive component of the compensation of the Executive Chairman, Vice Chairman and CEO, the Compensation Committee may consider the Company's performance and relative stockholder returns, the value of similar incentive awards to Executive Chairman, Vice Chairman and CEOs at comparable companies, the awards given to the Executive Chairman, Vice Chairman and CEO in past years and other factors that the Compensation Committee deems appropriate in connection with its review.
6. The Compensation Committee shall interpret, implement, administer, review and approve all aspects of remuneration to the Company's executive officers and other key officers, including their participation in incentive-compensation plans and equity-based compensation plans. The Compensation Committee also shall review and approve for the CEO and all other executive officers of the Company all employment agreements, consulting agreements, severance arrangements and change in control agreements or provisions.

7. The Compensation Committee shall have the same authority with regard to all aspects of director compensation as it has been granted with regard to executive compensation, except that the ultimate decision regarding the compensation of any director shall be subject to the approval of the Board.
8. The Compensation Committee shall develop, approve, administer and recommend to the Board and the Company's stockholders for their approval (to the extent such approval is required by any applicable law, regulation or NYSE rule) all stock ownership, stock option and other equity-based compensation plans of the Company, and all related policies and programs.
9. The Compensation Committee shall make individual determinations and grant any shares, stock options, or other equity-based awards under all equity-based compensation plans, and exercise such other power and authority as may be required or permitted under such plans, other than with respect to non-employee directors, which determinations shall be subject to the approval of the Board.
10. The Compensation Committee shall review and discuss with management the Compensation Disclosure and Analysis report to be included in the Company's annual report on Form 10-K and proxy statement as required by SEC regulations.
11. The Compensation Committee shall oversee the Company's compliance with SEC rules and regulations regarding stockholder approval of certain executive compensation matters, including non-binding advisory votes on executive compensation and the frequency of such votes, and the requirement under NYSE rules that, with limited exception, stockholders approve equity compensation plans.
12. The Compensation Committee may form and delegate authority to subcommittees as the Compensation Committee deems appropriate.
13. The Compensation Committee shall report regularly to the Board, but not less frequently than annually. The Compensation Committee shall report to the Board as frequently as it deems appropriate on the compensation of Board members, and make recommendations regarding changes to the Company's director compensation practices.
14. The Compensation Committee shall review and reassess the adequacy of this Amended and Restated Compensation Committee Charter annually and recommend any proposed changes to the Board for its approval. This Charter is in all respects subject and subordinate to all applicable laws and each of the Company's Restated Certificate of Incorporation and Amended and Restated Bylaws, as such laws and documents may be amended from time to time.
15. The Compensation Committee shall review on an annual basis its own performance, and shall report the results of such review to the Board.

Miscellaneous.

In addition to the activities described above, the Compensation Committee shall perform such other functions as necessary or appropriate in its or the Board's opinion under all applicable laws and each of the Company's Restated Certificate of Incorporation and Amended and Restated Bylaws, and under the resolutions and other directives of the Board.

Subject to all applicable laws, regulations and NYSE rules and each of the Company's Restated Certificate of Incorporation and Amended and Restated Bylaws, the authority vested in the Compensation Committee by this Amended and Restated Compensation Committee Charter shall be construed in the broadest possible manner.

Effective Date.

This Amended and Restated Compensation Committee Charter was adopted by the Board and became effective on May 1, 2013. It is intended to supersede and replace any prior Compensation Committee Charter of the Company.