

athenahealth, Inc.

Corporate Governance Guidelines

The Board of Directors (the "Board") of athenahealth, Inc. (the "Company") has adopted these corporate governance guidelines to assist and guide the Board and its committees in the exercise of their responsibilities. These guidelines should be interpreted in accordance with any requirements imposed by applicable federal or state law or regulation, the rules of the NASDAQ Stock Market ("NASDAQ rules") and the Certificate of Incorporation and By-Laws of the Company. The Board shall at least annually review and amend these guidelines from time to time, based on the recommendation of the Nominating and Corporate Governance Committee (the "Nominating Committee").

I. Director Qualification Standards

Director Criteria: The Board shall determine, approve and modify the criteria that it deems necessary or advisable for prospective director candidates from time to time. The Board may delegate to the Nominating Committee the responsibility for developing and recommending to the Board for its consideration and approval such criteria for prospective director candidates as the Nominating Committee deems necessary or advisable, provided that the Board may rescind this delegation at any time.

Process For Identifying and Selecting Directors: The Board has delegated to the Nominating Committee the responsibility of identifying suitable candidates for nomination to the Board (including candidates to fill any vacancies that may occur) and assessing their qualifications in light of the policies and principles in these corporate governance guidelines, the Company's Policy Governing Director Nominations and the Nominating Committee's charter. The Nominating Committee will recommend prospective director candidates for the Board's consideration and review the prospective candidates' qualifications with the Board. The Board shall retain the ultimate authority to nominate a candidate for election by the stockholders as a director or to fill any vacancy that may occur. In identifying prospective director candidates, the Nominating Committee may consider all facts and circumstances that it deems appropriate or advisable. This assessment includes consideration of the following minimum qualifications that the Board believes must be met by all directors:

- Directors must have experience at a strategic or policymaking level in a business, government, non-profit or academic organization of high standing.
- Directors must be highly accomplished in their respective fields, with superior credentials and recognition.
- Directors must be well regarded in the community and shall have a long-term reputation for the highest ethical and moral standards.
- Directors must have sufficient time and availability to devote to the affairs of the Company, particularly in light of the number of boards on which the nominees may serve.

The Nominating Committee may also consider numerous other qualities, skills and characteristics when evaluating director nominees, such as:

- The breadth of business experience or other background characteristics;
- Independence;
- Diversity; and
- The needs of the Board.

Independence: At least a majority of the members of the Board shall meet the independence standards of applicable NASDAQ and Securities and Exchange Commission ("SEC") rules. At least annually, the Board will make a determination whether each director is "independent" and will evaluate all relationships between the Company and each director in light of relevant facts and circumstances for the purposes of determining whether a material relationship exists that might signal a potential conflict of interest or otherwise interfere with such director's exercise of independent judgment in carrying out the responsibilities of a director.

Limit on Number of Other Boards: The Board does not believe that explicit limits on the number of other boards of directors on which the directors may serve, or on other activities the directors may pursue, are appropriate. The Board, however, recognizes that excessive time commitments can interfere with an individual's ability to perform his or her duties as a director effectively. In connection with its assessment of director candidates for nomination, the Nominating Committee and the Board will assess whether the performance of any director has been or is likely to be adversely impacted by excessive time commitments, including service on other boards of directors. Directors should notify the Chairman of the Board in advance of accepting a seat on the board of directors of another business corporation so that the potential for conflicts or other factors compromising the director's ability to perform his or her duties may be fully assessed. Each director is expected to ensure that other existing and planned future commitments do not materially interfere with the director's service as an outstanding director.

Change in Primary Job Responsibility; Term and Age Limits: Directors are asked to promptly notify the Nominating Committee in the event they retire, materially change their professional responsibilities, principal occupation or business association, or assume a material role in a not-for-profit entity. The Board, through the Nominating Committee, will thereafter review the continued appropriateness of the director's membership on the Board under the new circumstances.

The Board does not believe that arbitrary limits on either the number of consecutive terms a director may serve or a director's age are appropriate in light of the substantial benefits resulting from a sustained focus on the Company's business, strategy and industry over a significant period of time. Each individual's performance will be assessed by the Nominating Committee and Board in light of relevant factors in connection with assessments of candidates for nomination to be directors.

Succession: The Board shall be responsible for developing succession plans for the chief executive officer and other senior executives as appropriate in light of relevant facts and circumstances.

Director Orientation: The Board and the Company's management may conduct an orientation program for new directors. The orientation program may include presentations by management to familiarize new directors with the Company's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its code of business conduct and ethics, its principal officers, its auditors and its legal advisors. In addition, the orientation program may include a review of the Company's expectations of its directors in terms of time and effort and a review of the directors' fiduciary duties. All other directors are also invited to attend any such orientation program.

Continuing Education: Each director is expected to be involved in continuing director education on an ongoing basis to enable him or her to better perform his or her duties and to recognize and deal appropriately with issues that arise. The Company shall pay all reasonable expenses related to continuing director education.

II. Majority Voting Policy

In any uncontested election of nominees to the Board, each nominee must be elected by a majority of the votes cast. If a director nominee in an uncontested election does not receive a greater number of votes "for" his or her election than votes "withheld" from his or her election, that director must promptly submit his or her resignation to the Board. The Nominating Committee must then consider all relevant facts and circumstances and recommend to the Board the action to be taken in regard to such resignation. No later than 90 days following the final tabulation of the stockholders' vote in that election, the Board must act on the submitted resignation and the recommendation of the Nominating Committee and disclose on a Form 8-K its decision regarding whether to accept the nominee's resignation (or the reasons for rejecting the resignation, if applicable), as well as the decision-making process followed.

For the purposes of this Section, an "uncontested election" shall mean an election in which the number of nominees as of the record date for the meeting at which directors are to be elected does not exceed the number of directors to be elected at such meeting.

III. Director Responsibilities

Role of Directors: The business and affairs of the Company are managed by or under the direction of the Board, acting on behalf of the stockholders. The Board has delegated to the officers of the Company the authority and responsibility for managing the Company's everyday affairs. The Board has an oversight role and is not expected to perform or duplicate the tasks of the chief executive officer or senior management.

Attendance at Meetings: Each member of the Board is expected to make reasonable efforts to attend regularly scheduled meetings of the Board and the committees on which they serve, and to participate in telephone conference meetings or other special meetings of the Board and such committees. In the event that directors are unable to make at least 75% of those regular or special meetings (together with the meetings of committees on which each such director serves), the Company will be required to disclose that fact in its annual proxy statement. In addition, attendance and

participation at meetings is an important component of the directors' duties and, as such, attendance rates will be taken into account by the Nominating Committee and Board in connection with assessments of director candidates for re-nomination as directors.

Attendance at Annual Meeting of Stockholders: The Company encourages all members of the Board to attend the annual meeting of stockholders.

Time Commitment; Advance Distribution and Review of Materials: Directors are expected to spend the time needed and meet as frequently as the Board deems necessary or appropriate to discharge their responsibilities. Senior management is responsible for distributing information and data that are important to the Board's understanding of the business to be conducted at a Board or Board committee meeting to the directors. Directors should review these materials in advance of the meeting when reasonably practicable.

Code of Conduct: Members of the Board shall act at all times in accordance with the requirements of the Company's Code of Conduct, which shall be applicable to each director in connection with his or her activities relating to the Company. This obligation shall at times include, without limitation, adherence to the Company's policies with respect to conflicts of interest, confidentiality, ethical conduct in business dealings and respect for and compliance with applicable laws. Any waiver of the requirements of the Code of Conduct with respect to any individual director or any executive officer shall be reported to, and be subject to, the approval of the Board, based on the Audit Committee's recommendation.

IV. Board Structure; Committees

Size of Board: The Board may increase or decrease the size of the Board, subject to any relevant provisions in the Company's By-laws, depending on an assessment of the Board's needs and other relevant circumstances at any given time.

Board Leadership: The Company's By-Laws provide that the Chairman of the Board shall preside at all meetings of the stockholders and the Board. The Chairman of the Board shall perform such other duties as the Board may from time to time designate. The roles and responsibilities of the Chairman are described on Exhibit A attached hereto. The Board will periodically assess the Board's leadership structure and whether it is appropriate for the Company.

Lead Director: If applicable, the Board shall appoint an independent Lead Director annually. The roles and responsibilities of a Lead Director are described on Exhibit B attached hereto.

Executive Sessions: The independent directors will meet at least biannually at regularly scheduled executive sessions without management participation. The Chairman will preside at these meetings. If the Chairman is not in attendance, the director who presides at these meetings will be chosen by the independent directors.

Stockholder Communications: In order that interested parties may be able to make their concerns known to the Board of Directors, board committees and individual directors, the Company has adopted a Security Holder Communication Policy which contains a

means by which stockholders may communicate directly and confidentially with any of the foregoing.

Committees: The Board intends at all times to have an Audit Committee, a Compensation Committee, and a Nominating and Corporate Governance Committee. Each of these standing committees will have a written charter that sets forth the responsibilities of such committee and the qualifications for committee membership. Membership on such committees is limited to independent directors meeting the independence requirements of applicable NASDAQ and SEC rules, and the Internal Revenue Service (as applicable). The Board may form new committees or disband current committees depending upon the circumstances.

Appointment of Committee Members: The Nominating Committee shall be responsible for recommending to the Board the directors to be appointed to each committee of the Board.

Committee Charters: In accordance with applicable NASDAQ rules, the charters of the Audit Committee, the Compensation Committee and the Nominating Committee shall set forth the purposes, goals and responsibilities of the committees as well as qualifications for committee membership, procedures for committee member appointment and removal, committee structure and operations and committee reporting to the Board. The Board shall, from time to time as it deems appropriate, review and reassess the adequacy of each charter and make appropriate changes.

Self-Evaluations: The Board and each committee shall perform an annual evaluation of its performance, which, in each case, will be overseen by the Nominating Committee.

V. Director Access to Management and Independent Advisors

Directors have complete access to senior members of management. Directors are expected to use good judgment to ensure that their conduct is not distracting to the business operation of the Company. The Board, and each committee thereof, shall have the authority to request that any officer or employee of the Company, the Company's outside legal counsel, the Company's independent auditor or any other professional retained by the Company to render advice to the Company attend a meeting of the Board or such committee or meet with any members of or advisors to the Board.

In carrying out its responsibilities, the Board, and each committee thereof, shall be entitled to rely on the advice and information that it receives from management and such experts, advisors and professionals with whom the Board, or any such committee, may consult. The Board and any committee thereof shall also have the authority to engage legal, accounting or other advisors at the expense of the Company to provide it with advice and information in connection with carrying out its responsibilities.

VI. Director Compensation

The form and amount of director compensation will be reviewed periodically, but at least annually, by the Board based on recommendations of the Nominating Committee.

The Company's executive officers shall not receive additional compensation for their service as directors.

Independent directors may not receive consulting, advisory or other compensatory fees from the Company if receipt of such fees would result in disqualifying the director as an "independent" director in accordance with applicable NASDAQ and SEC rules.

VII. Stock Ownership Requirements

In an effort to more closely align the interest of directors and executives with those of the Company's stockholders, each director and executive will be required to meet the following minimum stock ownership guidelines:

<u>Position</u>	<u>Guideline</u>
Director	\$200,000
CEO	6X base salary
CFO	3X base salary
EVP and SVP	2X base salary

Shares counted toward these guidelines include:

- shares held directly or held in trust for the director or executive and his or her immediate family;
- 50% of the value of unvested restricted stock units; and
- 50% of the intrinsic value of vested stock options.

Each director and executive shall have five years from the later of (1) October 22, 2013 and (2) the date he or she assumed a position at the Company at any of the cohort levels above, to come in compliance with these ownership guidelines (with the end of such period, the "Compliance Date"). The market value of each person's stock ownership as of any Compliance Date will be calculated based on the average closing price of a share of Common Stock as reported by the NASDAQ Stock Market for the 30 trading day period preceding the Compliance Date. After a person meets the requirements set forth in these guidelines, any subsequent decreases in the market value of the Common Stock shall not be considered, so long as such person continues to hold at least the same number of shares of Common Stock as he or she did when these guidelines were first met or exceeded.

The Nominating Committee will review compliance with these guidelines annually. In its sole discretion, the Nominating Committee may determine penalties or other remedies for non-compliance, including the imposition of stock holding periods on future equity compensation awards. The Nominating Committee will evaluate whether exceptions from the guidelines should be made in the case of any director or executive due to his or her unique financial circumstances.

VIII. Miscellaneous

The Board believes that management should be responsible for communications with the press, media and other outside parties made on behalf of the Company. Subject to the Company's Disclosure Policy, individual Board members may, at the request of management or of the Board, communicate with outside parties on behalf of the Company.

These guidelines are not intended to modify, extinguish or in any other manner limit the indemnification, exculpation and similar rights available to the directors of the Company under applicable law, the Company's Certificate of Incorporation and By-Laws or by contract.

Although these corporate governance guidelines have been approved by the Board, it is expected that these guidelines will evolve over time as customary practice and legal requirements change. In particular, guidelines that encompass legal, regulatory or exchange requirements as they currently exist will be deemed to be modified as and to the extent such legal, regulatory or exchange requirements are modified. In addition, the guidelines may also be amended by the Board at any time as it deems appropriate.

Exhibit A

Chairman

In addition to the director responsibilities listed in the Corporate Governance Guidelines, the Chairman's responsibilities shall be as follows:

- Call meetings of the Board
- Chair Board meetings, executive sessions and the annual stockholders meeting
- Manage Board meetings, and with assistance from the Lead Director, if applicable, develops agendas and materials and provide input for committee agendas and materials
- Communicate with directors outside of board meetings on key issues
- Represent the organization and have direct communication with stockholders, regulators and other third parties as needed
- Interview Board candidates and make recommendations to the Nominating Committee
- Provide guidance regarding governance needs and committee structure
- Perform such additional duties as may be delegated from time to time by the Board or the independent directors of the Board

Exhibit B

Lead Director

If applicable, the Board shall annually appoint a Lead Director who shall be independent as defined by the NASDAQ Marketplace Rules. In addition to the director responsibilities listed in the Corporate Governance Guidelines, the Lead Director's responsibilities shall be as follows:

- Assist Chairman in developing agendas for Board meetings and provide input for committee agendas
- Develop agendas and chair executive sessions of the independent directors (at least biannually)
- May call a special meeting of the independent directors
- Brief Chairman and Secretary on issues discussed during independent director executive sessions
- When topics arise of concern to independent directors, facilitate discussion among independent directors on key issues and concerns outside of Board meetings
- Communicate to the Board the concerns of independent directors
- Interview Board candidates and make recommendations to the Nominating Committee
- Be available for consultation and direct communication with stockholders, regulators and other third parties as needed
- Perform such additional duties as may be delegated from time to time by the Board or the independent directors of the Board