



Nominating and Corporate Governance Committee Charter

I. General Statement of Purpose

The Nominating and Corporate Governance Committee of the Board of Directors (the "Nominating Committee") of athenahealth, Inc. (the "Company"), on behalf of the Board of Directors (the "Board"), is responsible for:

- identifying individuals qualified to become board members, consistent with criteria approved by the Board, and recommending that the Board select the director nominees for election at each annual meeting of stockholders;
- recommending to the Board the directors to be appointed to each Board committee;
- reviewing and making recommendations to the Board with respect to the compensation and benefits of the Company's directors;
- developing and recommending to the Board a set of corporate governance guidelines applicable to the Company, and periodically reviewing and recommending to the Board changes thereto; and
- overseeing the evaluation of the Board and its committees.

II. Structure and Membership

- Number and Independence. The number of individuals serving on the Nominating Committee shall be fixed by the Board from time to time. Each member shall be independent in accordance with the applicable rules of the NASDAQ Stock Market ("NASDAQ rules").
- Selection and Removal. The members of the Nominating Committee shall be appointed annually by the Board upon recommendation of the Nominating Committee and may be replaced or removed by the Board at any time with or without cause. Resignation or removal of a director from the Board, for whatever reason, shall automatically constitute resignation or removal, as applicable, from the Nominating Committee. Vacancies occurring, for whatever reason, shall be filled by the Board upon recommendation of the Nominating Committee.
- Chair. The Board shall designate one member of the Nominating Committee to serve as Chair of the Nominating Committee.
- Indemnification and Expenses. All indemnification, exculpation, expense reimbursement and advancement provisions and rights available to members of the Nominating Committee in their capacities as directors of the Company shall be fully applicable with respect to their service on the Nominating Committee or any subcommittee thereof.
- Meetings. The Nominating Committee shall meet as often as it deems necessary or appropriate, but at least once annually. A majority of the members of the Nominating Committee shall constitute a quorum for purposes

of holding a meeting and the Nominating Committee may act by a vote of a majority of members present at such meeting. In lieu of a meeting, the Nominating Committee may act by unanimous written consent. The Nominating Committee shall maintain minutes of meetings.

III. Nominating Committee Activities

The following responsibilities are set forth as a guide for fulfilling the Nominating Committee's purposes, with the understanding that the Nominating Committee's activities may diverge as appropriate given the circumstances. The Nominating Committee's purposes and responsibilities shall be as set forth below.

A. Review of Charter

- Review and reassess the adequacy of this Charter annually and submit any proposed changes to the Board for approval.

B. Selection of New Directors; Committees

- Oversee, review and recommend to the Board for approval the Company's policies and procedures for identifying and reviewing Board nominee candidates, including:
 - the qualifications or criteria for Board nominees for election as directors at any meeting of stockholders, which are set forth in the Company's Policy Governing Director Nominations;
 - the qualifications or criteria for appointment to committees of the Board; and
 - policies and procedures relating to the consideration of Board nominees recommended by stockholders.
- Except where the Company is legally required by contract, bylaw or otherwise to provide third parties with the right to nominate directors, recommend to the Board candidates who meet the minimum qualifications and other criteria approved by the Board for: (i) nomination for election or re-election by stockholders; and (ii) any Board vacancies that are to be filled by the Board. In making such recommendations, the Nominating Committee shall consider candidates proposed by stockholders.
- Consider recommendations for director nominees in light of the requirement that a majority of the Board be comprised of directors who meet the independence requirements of NASDAQ rules.
- Recommend to the Board the directors to be appointed to each committee of the Board.

C. Director Compensation

- Annually review and make recommendations to the Board with respect to the compensation and benefits of directors, including under any incentive compensation plans and equity-based compensation plans.

D. Succession Planning

- Develop succession plans for the Board as appropriate in light of relevant facts and circumstances.

E. Matters Relating to Retention and Termination of Search Firms to Identify Director Candidates

- Exercise sole authority to retain and terminate any search firm that is to be used by the Company to assist in identifying director candidates. The Nominating Committee shall also have sole authority to approve any such search firm's fees and other retention terms.

F. Outside Advisors

- Exercise sole authority to retain and terminate any legal, accounting, consulting or other outside advisor to assist the Nominating Committee in carrying out its responsibilities. In carrying out its responsibilities, the Nominating Committee shall be entitled to rely upon advice and information that it receives in its discussions and communications with management and any such outside advisor. The Nominating Committee shall also have sole authority to approve the outside advisor's fees and other retention terms.

G. Corporate Governance Guidelines

- Develop and recommend to the Board a set of Corporate Governance Guidelines applicable to the Company.
- Review and assess the adequacy of the Corporate Governance Guidelines annually and recommend any proposed changes to the Board for approval.

H. Board Leadership Structure

- Periodically review the Board's leadership structure to assess whether it is appropriate given the specific characteristics and circumstances of the Company.

I. Stock Ownership Requirements

- Annually review compliance with the Company's stock ownership requirements.
- Determine penalties or other remedies for non-compliance, including the imposition of stock holding periods on future equity compensation awards.
- Evaluate whether exceptions should be made due to a director's or officer's unique financial circumstances.

J. Self-Evaluations.

- Annually evaluate its own performance and oversee annual self-evaluations of the Board and its other committees.

K. Director Orientation and Continuing Education.

- Oversee orientation programs held by management for new directors.
- Encourage and monitor directors' participation in continuing director education on an ongoing basis.

IV. General

- Delegation. The Nominating Committee may establish and delegate authority to subcommittees consisting of one or more of its members, when the Nominating Committee deems it appropriate to do so in order to carry out its responsibilities.
- Reports to Board. The Nominating Committee shall make regular reports to the Board concerning areas of the Nominating Committee's responsibility and maintain minutes or other records of Nominating Committee meetings and activities.
- Further Investigation. In discharging its role, the Nominating Committee is empowered to inquire into any matter it considers appropriate to carry out its responsibilities, with access to all books, records, facilities and personnel of the Company. The Nominating Committee shall have the authority to request that any officer or employee of the Company, the Company's outside legal counsel, or any other professional retained by the Company to render advice to the Company attend a meeting of the Nominating Committee or meet with any members of or advisors to the Nominating Committee.
- Other Duties. The Nominating Committee may perform such other functions as may be requested by the Board from time to time.