



## **INVACARE CORPORATION**

### **Charter of the Compensation and Management Development Committee of the Board of Directors**

**(As Adopted March 11, 2004)**

**(As Amended February 8, 2007)**

**(As Amended November 21, 2008)**

#### **Mission**

The Compensation and Management Development Committee (the "Committee") shall assist the Board of Directors (the "Board") of Invacare Corporation (the "Company") in developing and implementing (i) executive compensation programs that are fair and equitable and that are effective in the recruitment, retention and motivation of executive talent required to successfully meet the Company's strategic objectives, and (ii) a management succession plan in place that meets the Company's present and future needs.

#### **Membership**

The Committee members shall be appointed by the Board. The Committee shall be comprised of at least three (3) members. Each member of the Committee shall meet the then-applicable New York Stock Exchange independence requirements, subject to any applicable transition periods, and other relevant laws, rules or regulations, in each case, when, as and to the extent applicable to the Company. In addition, each member shall qualify as an "outside director" as such term is defined in Section 162(m) of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder or any successor provisions thereto, and as a "non-employee director" as such term is defined Section 16 of the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder, or any successor provisions thereto.

The Committee members shall serve at the pleasure of the Board, until they resign, are replaced or until their successors are elected. A Committee Chairperson shall be elected annually by the Board. A quorum shall consist of a majority of the members of the Committee.

#### **Meetings**

The Committee shall meet as often as it determines to be necessary or appropriate. The Chairperson shall preside at each meeting and, in the absence of the Chairperson, one of the other members of the Committee shall be designated as the acting chair of the meeting.

All meetings of the Committee shall be held pursuant to the Code of Regulations of the Company with regard to notice and waiver thereof, and written minutes of each meeting, in the

form approved by the Committee or its Chairperson, shall be duly filed in the Company records. Members of the Committee may participate in any meeting of the Committee by means of conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other.

Any action which may be taken at a meeting of the Committee may be taken without a meeting if authorized by a writing or writings signed unanimously by all of the members of the Committee. The Committee may request any officer of the Company, or any representative of the Company's advisors, to attend all or a portion of any Committee meeting or to meet with any member or representative of the Committee.

### **Responsibilities and Authority**

1. The Committee shall review and approve on an annual basis corporate goals and objectives relevant to the compensation of the Chief Executive Officer and the other employees designated as executive officers of the Company, including the amount of incentive awards that may be earned pursuant to the Company's management incentive plans.

2. The Committee, along with the Lead Director, shall conduct an annual evaluation of the Chief Executive Officer's performance and compensation. The evaluation should be based on criteria established by the Committee, including (without limitation) performance of the business, accomplishment of long-term strategic objectives and development of management. The evaluation that is presented to the Board includes such goals and objectives and the Chief Executive Officer's performance in relation thereto. The Committee shall summarize the results of such evaluation to the Chief Executive Officer and the Board. The Lead Director will meet with the Chief Executive Officer to discuss the Committee's evaluation of performance.

3. The Committee shall approve the annual compensation of the Chief Executive Officer, and the other employees designated as executive officers of the Company, including salary, bonus, incentive and equity compensation.

4. The Committee shall grant and/or issue stock options, stock appreciation rights, restricted stock or any other securities or derivatives permitted under the Company's equity compensation plans within the guidelines established by the Committee.

5. The Committee periodically shall review and advise the Board on the Company's existing incentive compensation and other stock-based plans and recommend changes in such plans as needed, including the implementation of any new stock option programs or other equity compensation programs that should be considered for implementation by the Company to promote the development and retention of executive officers and other key salaried employees.

6. The Committee shall review and approve, or in its discretion recommend to the Board for its approval, any proposed contracts of employment with any or all elected executive officers of the Company.

7. The Committee shall produce an annual report on executive compensation for inclusion on the Company's proxy statement.

8. The Committee shall review director compensation and benefits on a periodic basis.

9. The Committee plans for the succession to the position of Chief Executive Officer. The Committee shall also assist the Board in developing and evaluating potential candidates for other senior executive positions in overseeing the development of executive succession plans. To provide assistance to the Committee, the Chief Executive Officer periodically shall provide the Committee with an assessment of the senior executives and their succession potential. The Chief Executive Officer also shall provide the Committee with an assessment of persons considered potential successors to certain senior executive positions, including a review of any development plans recommended for such individuals.

10. The Committee shall have the authority to delegate any of its responsibilities to subcommittees as the Committee may deem appropriate in its sole discretion.

11. The Committee shall have the authority, without seeking approval from the Board, to retain and authorize the compensation of special compensation consultants, legal, accounting or other advisors, as it deems necessary, to assist in fulfilling its responsibilities and discharging its duties.

12. The Committee periodically shall review and assess the adequacy of this Charter and recommend any appropriate changes to this Charter to the Board.

13. The Committee shall report regularly to the Board concerning its activities.

**Annual Review**

The Committee shall annually review and evaluate its own performance in carrying out its responsibilities hereunder.