

**PET DRX CORPORATION
CHARTER OF THE COMPENSATION COMMITTEE
OF THE BOARD OF DIRECTORS**

Organization

There shall be a standing committee of the board of directors (the “Board”) of Pet DRx Corporation. (the “Company”) known as the Compensation Committee (the “Committee”). This charter shall govern the operations of the Committee.

Membership and Qualifications

The membership of the Committee shall be appointed by the Board and shall consist of at least three directors. Each member of the Committee shall be, at all times while a member of the Committee, free of any relationship that, in the opinion of the Board, would interfere with the member’s individual exercise of independent judgment and shall otherwise meet the independence requirements for serving on compensation committees as set forth in the corporate governance requirements of such exchange or self-regulatory organization which the Company’s securities are listed or quoted for trading (the “Applicable Exchange”), as the same may be amended from time to time, or, if the Company’s common stock is not listed on any national securities exchange, the independence requirements applicable to companies listed on The Nasdaq Stock Market; provided however, that one member who is not independent may be appointed to the Committee if and to the extent permitted by the rules of the Applicable Exchange. The Board shall be responsible for determining “independence” of Committee members.

The Board shall be responsible for determining “independence” of Committee members. The Board shall appoint one member of the Committee as chair. The chair shall be responsible for leadership of the Committee, including preparing the agenda, presiding over the meetings, making committee assignments, supervising the preparation of minutes and reporting to the Board.

Purpose

The Committee shall discharge the Board’s responsibilities relating to general compensation policies and practices and the compensation of the Company’s directors and executive officers. In doing so, the Committee shall: (1) establish competitive strategies and compensation policies and programs for employees of the Company to provide incentives for delivery of value to the Company’s shareholders, including but not limited to administration of the incentive-compensation plans and equity-based plans; (2) establish competitive policies to attract, hire, retain and motivate high quality directors and executive officers, with the objective of aligning the total compensation of senior executives with the business of the Company and the best interests of the Company’s shareholders; (3) discharge its oversight responsibilities with respect to legal compliance aspects of the Company’s compensation practices and policies; and (4) oversee the disclosures with respect to executive compensation in the Company’s annual proxy statement and other securities filings.

Authority

The Committee may engage external advisors and compensation consultants, to the extent determined appropriate by the Committee, to facilitate the performance of the functions of the Committee. All external advisors engaged by the Committee shall report directly to the Committee. The Committee also has the authority to retain other experts to advise or assist it, including independent counsel, accountants, financial analysts or others, and may request reports from officers of the Company to assist the members of the Committee in performing their responsibilities.

Until the first annual meeting of the Company following January 4, 2011, it shall be the policy of the Committee to make recommendations to the Board for consideration and appropriate action, except to the extent otherwise required or appropriate under applicable law and the rules of the exchange or self-regulatory organization on which the Company's securities are listed or quoted for trading, as the same may be amended from time to time.

Delegation to Subcommittees

The Committee shall have the power and authority to delegate any of its duties and responsibilities to subcommittees as the Committee may deem appropriate in its sole discretion. Notice of such delegation shall be provided to the Board.

Responsibilities and Process

The Committee's primary responsibilities include:

- Reviewing annually the compensation practices and policies, including the philosophy regarding executive compensation, of the Company;
- Reviewing periodically market and industry data to assess our competitive position, and to retain any compensation consultant to be used to assist in the evaluation of directors' and executive officers' compensation;
- Reviewing annually and making recommendations to the Board to approve the base and incentive compensation for all "officers", as that term is defined in Section 16 of the Securities Exchange Act of 1934 and Rule 16a-1 thereunder ("Section 16 Officers");
- Determining the compensation of the chief executive officer, provided that in determining the compensation of the chief executive officer, the Committee shall meet in executive session;
- Reviewing annually and approving corporate goals and objectives relating to the compensation of the Section 16 Officers, including establishing measurement metrics associated with these goals and objectives, establishing incentive levels and targets relevant to officer performance, evaluating performance in light of those goals, targets and objectives, and recommending to the Board compensation levels or ranges, as applicable, based on this evaluation;
- Reviewing periodically and assessing annually the compensation, including but not limited to board and committee retainers, meeting fees, equity-based compensation, and

such other forms of compensation as the compensation committee may consider appropriate, paid to members of the Board for their service on the Board and on committees of the Board, and recommending any changes thereto to the Board;

- Subject to any guidelines that may be adopted by the Board, administering and reviewing annually the Company's incentive compensation plans and equity-based plans, including but not limited to all stock option awards, and recommending to Board awards to employees under the Company's stock option and equity incentive plans;
- Reviewing and making recommendations to the Board regarding any executive employment agreements, any proposed severance arrangements or change in control and similar agreements/provisions, and any amendments, supplements or waivers to the foregoing agreements, and any perquisites, special or supplemental benefits;
- Preparing a Compensation Committee Report for inclusion in the Company's proxy statement in accordance with applicable rules of the Securities and Exchange Commission; and
- Reviewing and discussing with management, the Compensation Disclosure and Analysis (CD&A), and determine the Committee's recommendation for the CD&A's inclusion in our proxy statements filed with the SEC.

The Committee shall also make recommendations to the Board with respect to amendments to the Company's stock option or equity incentive plans and changes in the number of shares reserved for issuance thereunder.

Meetings of the Committee

The Committee shall meet at least twice in each year and otherwise as may from time to time be deemed necessary by the chair of the Committee. Meetings may be held in person or by telephonic means at the discretion of the chair of the Committee. No Committee member may vote on any matter in which he or she, directly or indirectly, has a material interest other than as a director or Committee member.

Compensation Committee Formalities and Charter

The Committee shall keep appropriate minutes of its meetings and actions taken by it, and shall report regularly to the Board on action taken. The Compensation Committee shall review and reassess annually the adequacy of this Charter and the Committee's performance, and recommend any proposed changes to the Charter to the Board.