

VENTIV | HEALTH

May 9, 2005

Dear Fellow Stockholder:

You are cordially invited to attend the 2005 Annual Meeting of Stockholders of Ventiv Health, Inc. (the "Company"), which will be held at 712 Fifth Avenue, 17th floor conference center, New York, NY 10019, on June 15, 2005 at 9:00 a.m., EST.

Enclosed are the Notice of Annual Meeting, the Proxy Statement and the Company's 2004 Annual Report. The Proxy Statement describes the business to be conducted at the Annual Meeting and provides other information concerning the Company of which you should be aware when you vote your shares.

Admission to the Annual Meeting will be by ticket only. If you are a registered stockholder planning to attend the meeting, please check the appropriate box on the proxy card and retain the bottom portion of the card as your admission ticket.

If you are unable to attend the Annual Meeting in person, you may listen to the proceedings through the Internet. To listen to the live webcast, please log on at www.ventiv.com in the "Investor Relations" section of the website. The webcast will begin at 9:00 a.m., EST, and will remain on the Company's website for one year. The webcast will permit stockholders to listen to the Annual Meeting but will not provide for the ability to vote or present any stockholder proposals.

Whether or not you attend the Annual Meeting, it is important that your shares be represented and voted at the meeting. As a stockholder of record, you can vote your shares by signing, dating and mailing the proxy card in the enclosed envelope. If you decide to attend the Annual Meeting and vote in person, you may then withdraw your proxy.

On behalf of the Board of Directors and the employees of Ventiv Health, Inc., I would like to express my appreciation for your continued interest in the affairs of the Company.

Sincerely,

A handwritten signature in black ink, appearing to read "Eran Broshy". The signature is stylized with a large, looped "B" and a long horizontal stroke at the end.

Eran Broshy
Chief Executive Officer

VENTIV HEALTH, INC.
200 Cottontail Lane
Vantage Court North
Somerset, New Jersey 08873

NOTICE OF 2005 ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD JUNE 15, 2005

May 9, 2005

To Our Stockholders:

You are cordially invited to attend the 2005 Annual Meeting of Stockholders of Ventiv Health, Inc. (the "Company") to be held at 712 Fifth Avenue, 17th floor conference center, New York, NY 10019, on June 15, 2005 at 9:00 a.m., EST, for the following purposes:

1. To elect seven (7) directors of the Company;
2. To amend the Company's 1999 Stock Incentive Plan to increase the shares available for issuance by 2.6 million shares;
3. To ratify the appointment of Deloitte & Touche LLP as the Company's independent registered public accounting firm for 2005; and
4. To transact such other business as may properly come before the meeting.

Only stockholders of record at the close of business on April 28, 2005 will be entitled to notice of, and to vote at, the meeting.

YOUR VOTE IS VERY IMPORTANT. WHETHER OR NOT YOU EXPECT TO ATTEND THE ANNUAL MEETING, PLEASE FILL IN, SIGN, DATE AND MAIL THE ENCLOSED PROXY AS PROMPTLY AS POSSIBLE.

IF YOU DO NOT PLAN TO ATTEND THE ANNUAL MEETING, PLEASE MARK THE APPROPRIATE BOX ON YOUR PROXY CARD. AN ADMISSION CARD IS INCLUDED IF YOU ARE A STOCKHOLDER OF RECORD. IF YOUR SHARES ARE HELD IN STREET NAME, AN ADMISSION CARD IN THE FORM OF A LEGAL PROXY WILL BE SENT TO YOU BY YOUR BROKER. IF YOU DO NOT RECEIVE THE LEGAL PROXY IN TIME, YOU WILL BE ADMITTED TO THE ANNUAL MEETING BY SHOWING YOUR MOST RECENT BROKERAGE STATEMENT VERIFYING YOUR OWNERSHIP OF COMMON STOCK AS OF THE RECORD DATE.

By Order of the Board of Directors,

A handwritten signature in black ink, appearing to read "John R. Emery". The signature is stylized and written over a horizontal line.

John R. Emery
Secretary

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VENTIV HEALTH, INC.
200 Cottontail Lane
Vantage Court North
Somerset, New Jersey 08873

ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD JUNE 15, 2005

PROXY STATEMENT

GENERAL INFORMATION

General

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors of Ventiv Health, Inc. (the “Company” or “Ventiv”) for use at the 2005 Annual Meeting of Stockholders to be held at 712 Fifth Avenue, 17th floor conference center, New York, NY 10019, on June 15, 2005 at 9:00 a.m., EST. The proposals to be acted upon are set forth in the accompanying Notice of Annual Meeting. Each proposal is described in more detail in this Proxy Statement.

This Proxy Statement and the enclosed proxy are first being mailed to the Company’s stockholders on or about May 9, 2005. The Company is mailing its Annual Report to Stockholders for the year ended December 31, 2004, along with this Proxy Statement and the enclosed proxy. The 2004 Annual Report to Stockholders does not form any part of the materials for the solicitation of proxies.

Record Date, Share Ownership and Voting

Stockholders of record at the close of business on April 28, 2005 (the “Record Date”) are entitled to notice of and to vote at the Annual Meeting and at any adjournment(s) thereof. At the Record Date, 26,728,664 shares of our Common Stock, par value \$0.001 per share (“Common Stock”), were issued and outstanding. Each stockholder of record will be entitled to one vote for each share of Common Stock held of record as of the Record Date.

Stockholders of record as of the Record Date may vote in person at the Annual Meeting or by proxy using the enclosed proxy card. Stockholders are requested to complete, date, sign and promptly return the accompanying form of proxy in the enclosed envelope whether or not they plan to attend the Annual Meeting to ensure that all votes are counted. Stockholders that voted by proxy may still attend the Annual Meeting and vote in person.

If instructions are not given, proxies will be voted “FOR” election of each nominee for director named herein and each of the other proposals described herein. A properly executed proxy marked “WITHHELD” with respect to the election of one or more directors will not be voted with respect to the director or directors indicated. As a consequence of New York Stock Exchange (“NYSE”) regulations described below, shares held through a broker or other nominee that is a member organization of the NYSE or the National Association of Securities Dealers, Inc. (the “NASD”) will only be voted on Proposal 2 (amendment of the Company’s 1999 Stock Incentive Plan) if the beneficial owner has provided specific voting instructions to the broker or other nominee holding such shares to vote such shares on that proposal.

Discretionary authority is provided in the proxy as to any matters not specifically referred to therein. Except for the matters discussed in this Proxy Statement and reflected in the proxy, management is not aware of any other matters which are likely to be brought before the Annual Meeting. If any such matters properly come before the Annual Meeting, however, the persons named in the proxy are fully authorized to vote thereon in accordance with their judgment and discretion.

Under our by-laws, directors are elected by plurality, which means that the seven persons for whom the highest numbers of votes are cast will be elected as directors. Proposals 2 (amendment of the Company's 1999 Stock Incentive Plan) and 3 (ratification of the appointment of the independent registered public accounting firm) are subject to approval by a majority of the votes cast with respect to the particular matter.

Quorum; Abstentions; Broker Non-Votes

Our Bylaws provide that stockholders holding a majority of the shares of Common Stock issued and outstanding and entitled to vote on the Record Date shall constitute a quorum at meetings of stockholders. Votes will be counted by the inspector of election appointed for the Annual Meeting, who will separately count "For" and (with respect to proposals other than the election of directors) "Against" votes, abstentions and broker non-votes. A "broker non-vote" occurs when a nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that proposal and has not received instructions with respect to that proposal from the beneficial owner. Broker non-votes and abstentions are not counted toward votes cast and therefore have no effect on any proposal, but will be counted for purposes of determining the presence or absence of a quorum for the transaction of business.

The NYSE has issued regulations prohibiting brokers or other nominees that are NYSE member organizations from voting in favor of proposals relating to equity compensation plans unless they receive specific instructions from the beneficial owner of the shares to vote in that manner. NASD member brokers are also prohibited from voting on such proposals without specific instructions from beneficial holders.

Revocability of Proxies

A stockholder who has given a proxy pursuant to this solicitation may revoke it at any time prior to its exercise at the Annual Meeting by (1) giving written notice of revocation to the Secretary of the Company, (2) properly submitting to the Company a duly executed proxy bearing a later date or (3) voting in person at the Annual Meeting. All written notices of revocation or other communications with respect to revocation of proxies should be addressed as follows: Ventiv Health, Inc., 200 Cottontail Lane, Vantage Court North, Somerset, NJ, 08873, Attention: Corporate Secretary.

Costs of Proxy Solicitation; Means of Solicitation

The Company will pay the cost of all proxy solicitations. The Company has engaged The Altman Group to render proxy solicitation services at a cost of \$6,000 plus out of pocket expenses and customary fees relating to the solicitation and receipt of proxies. Furthermore, officers and other employees of the Company and its subsidiaries may solicit proxies. In addition to the solicitation of proxies by mail, proxies may be solicited by personal interview, telephone, telecopy and telegram. Officers and employees of the Company will not receive compensation for proxy solicitation services, which will be performed in addition to their regular duties.

The Company has made arrangements with brokerage firms, banks, nominees and other fiduciaries to forward proxy solicitation material for shares held of record by them to the beneficial owners of such shares. The Company will reimburse such persons for their reasonable out-of-pocket expenses in forwarding such material.

BOARD OF DIRECTORS

Biographical Information

The Board of Directors (the “Board”) presently consists of seven members. If elected, each of the directors will serve for a one-year term expiring at the 2006 Annual Meeting or at the earlier of his resignation or removal. The Board of Directors has nominated the following incumbent directors for election to the Board: Daniel M. Snyder, Eran Broshy, A. Clayton Perfall, Donald Conklin, John R. Harris, Per G.H. Lofberg and Mark E. Jennings. Certain additional information regarding each of the foregoing nominees, as of the Record Date is set forth below.

**Name and present position,
If any, with the Company**

Biography

Daniel M. Snyder, Chairman of the Board	Daniel M. Snyder, 40, has served as the Chairman of the Board of Directors of the Company since October 2001 and previously served as Co-Chairperson since Ventiv’s separation from Snyder Communications, Inc. in September 1999. Mr. Snyder is the Owner and Chairman of the Washington Redskins football team. Mr. Snyder was Chairman and a founder of Snyder Communications, Inc. and served as Chief Executive Officer of Snyder and its predecessors from 1987 to September 2000. Mr. Snyder is a member of the Board of Directors of McLeodUSA Incorporated.
Eran Broshy, Director, Chief Executive Officer	Eran Broshy, 46, has served as a director and the Chief Executive Officer of the Company since Ventiv’s separation from Snyder Communications, Inc. in September 1999. Prior to joining Ventiv, Mr. Broshy spent 14 years with the Boston Consulting Group, and most recently served as the partner responsible for the firm’s North American healthcare practice. From 1998 to 1999, Mr. Broshy served as President and Chief Executive Officer of Coelacanth Corporation, a privately-held biotechnology company. Mr. Broshy is a member of the Board of Directors of Neurogen Corporation.
A. Clayton Perfall, Director	A. Clayton Perfall, 46, has been a director of the Company since Ventiv’s separation from Snyder Communications, Inc. in September 1999. He currently serves as Chief Executive Officer of AHL Services, Inc. a non-pharmaceutical, outsourced sales and marketing company. Prior to taking this position in October 2001, Mr. Perfall served as Chief Executive Officer of Convergence Holdings, Corp. Prior to taking this position in January 2001, Mr. Perfall served as the Chief Financial Officer and a director of Snyder Communications, Inc. from 1996 to September 2000. Prior to joining Snyder Communications, Inc., Mr. Perfall spent fifteen years with Arthur Andersen LLP.

**Name and present position,
If any, with the Company**

Biography

Donald Conklin,

Director

Donald Conklin, 68, has been a director of the Company since September 1999. Prior to joining the Company's Board, Mr. Conklin worked for 39 years with Schering-Plough Corporation. He was President of the Worldwide Pharmaceutical Operations for nine years and concluded his career as Chairman of the Health Care Products division for three years. Mr. Conklin is a member of the Board of Directors of Alfa Cell, Inc.

John R. Harris,

Director

John R. Harris, 57, has been a director of the Company since May 2000. Until January 2005 Mr. Harris served as Chief Executive Officer of Seven Worldwide Inc., a digital content management company. From July 2002 to December 2003, he served as Chief Executive Officer and President of Delinea Corporation, an application and business process management company serving the energy industry. From August 2001 to July 2002, Mr. Harris served as Chief Executive Officer and President of Exolink. He was Chairman and Chief Executive Officer of Ztango, Inc. from 1999 to 2001. Mr. Harris previously spent 25 years with Electronic Data Systems, during which he held a variety of executive leadership positions including Group Executive and President of EDS's four strategic business units serving the telecommunications and media industries and later served as Corporate Vice President, Marketing & Strategy. Mr. Harris is a member of the Board of Directors of PTEK Holdings, Inc.

Per G.H. Lofberg,

Director

Per G.H. Lofberg, 57, has been a director of the Company since February 2005. Mr. Lofberg brings over 30 years pharmaceutical and health care industry experience to Ventiv Health. He is currently President and CEO of Merck Capital Ventures, LLC, a position that he has held since 2000. From 1993-2000, Mr. Lofberg was Chairman of Merck-Medco Managed Care, LLC, a wholly-owned subsidiary of Merck & Co., Inc. and the country's largest provider of prescription drug benefit management services. Under his leadership, Merck-Medco grew from \$3 billion to \$23 billion in revenues. Mr. Lofberg joined Merck-Medco in 1988 as Senior Executive Vice President, a member of the Office of the President and a Director. Before Merck-Medco, Mr. Lofberg was a Partner at The Boston Consulting Group and oversaw the firm's worldwide health care practice.

**Name and present position,
If any, with the Company**

Biography

Mark E. Jennings,

Director

Mr. Jennings, 42, has been a director of the Company since February 2005. Mr. Jennings is Managing Partner and co-founder of Generation Partners, a \$325 million private investment firm focused on providing growth capital to companies primarily in the business and information services, communications and healthcare sectors. Prior to founding Generation in 1995, Mr. Jennings was a Partner of Centre Partners, a private investment firm affiliated with Lazard Frères & Co. Mr. Jennings began his career at Goldman Sachs & Co. where he advised companies in the areas of financial strategy, public offerings, mergers & acquisitions and leveraged buyouts. Through Generation and predecessor firms, he has invested in more than 50 companies and has served as a director on 19 boards. Mr. Jennings is also the Chairman of the Board of Trustees of Post University, Inc., a 115 year-old regionally-accredited University.

Functions and Meetings of the Board of Directors

Corporate Governance

Director Independence and Executive Sessions of Independent Directors. The Board of Directors has determined that six of its seven directors satisfy the director independence criteria recently adopted by the NASD. Daniel M. Snyder, A. Clayton Perfall, Donald Conklin, John R. Harris, Per G.H. Lofberg and Mark E. Jennings were determined to be “independent” within the meaning of NASD Rule 4200(a)(15). Eran Broshy, who is the Chief Executive Officer of the Company, was not deemed independent. The Board has determined that its independent members will meet in executive session no less than two times per year in conjunction with regularly scheduled Board meetings.

Communicating with the Board of Directors. The Board provides a process for stockholders to send communications to the Board or any individual director. Stockholders may send written communications to the Board or any director c/o Ventiv Health, Inc., 200 Cottontail Lane, Vantage Court North, Somerset, New Jersey 08873.

Director Attendance at Annual Meetings. The Company has adopted a policy that strongly encourages, but does not require, directors to attend each Annual Meeting, subject to exigent or unforeseeable circumstances that may prevent such attendance. Four directors attended the Company’s 2004 Annual Meeting.

Code of Business Conduct and Ethics. The Board has adopted a Code of Business Conduct and Ethics that applies to all officers, directors and employees. The code can be accessed in the “Investor Relations—Corporate Governance” section of the Company’s website at www.ventiv.com. The purpose of the Code of Business Conduct and Ethics is to deter wrongdoing and to promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships; full, fair, accurate, timely and understandable disclosure in periodic reports required to be filed by the Company; and compliance with all applicable rules and regulations that apply to the Company and its officers and directors.

Board Meetings

The Board of Directors held seven meetings or teleconference calls during 2004. No director attended fewer than 75% of the aggregate of the total of Board and Committee meetings during the past year.

Committees of the Board

Audit Committee

The Audit Committee is comprised of Messrs. Perfall (Chairman), Conklin and Harris. The Audit Committee oversees the accounting and financial reporting processes of the Company, as well as the audits of the financial statements of the Company. See “Report of Audit Committee” below. The Board has determined that all members of the Audit Committee are independent directors, and otherwise satisfy the requirements for service on the Audit Committee, under the rules of the Securities and Exchange Commission (the “SEC”) and the NASD. The Board has determined that Mr. Perfall qualifies as an “audit committee financial expert” as defined by the rules of the SEC. The Audit Committee held seven meetings in 2004.

Compensation Committee

The Compensation Committee is comprised of Messrs. Lofberg (Chairman) and Conklin. Mr. Lofberg replaced Fred Drasner, who retired from the Board, in February 2005. The Compensation Committee administers the Company’s benefit plans, reviews and administers all compensation arrangements for executive officers and establishes and reviews general policies relating to the compensation and benefits of the Company’s officers and employees. See “Compensation Committee Report on Executive Compensation” below. The Compensation Committee charter can be accessed in the “Investor Relations—Corporate Governance” section of the Company’s website at www.ventiv.com. The Board has determined that each member of the Compensation Committee is an independent director under the rules of the NASD. The Compensation Committee held four meetings in 2004.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee is comprised of Messrs. Conklin (Chairman), Harris and Jennings. Mr. Jennings replaced Mr. Perfall in February 2005. The responsibilities of the Nominating and Corporate Governance Committee include identifying and recommending to the Board appropriate director nominee candidates and providing oversight with respect to corporate governance matters. The Nominating and Corporate Governance Committee charter can be accessed in the “Investor Relations—Corporate Governance” section of the Company’s website at www.ventiv.com. The Board has determined that each member of the Nominating and Corporate Governance Committee is an independent director under the rules of the NASD. The Nominating and Corporate Governance held two meetings in 2004.

Board Criteria and Director Nomination Procedures. The Nominating and Corporate Governance Committee believes that candidates for director should have certain minimum qualifications, including being able to read and understand basic financial statements; having expertise and experience in an area pertinent to the Company’s business; having the time to provide and being effective in provide advice and guidance to the Company based on that expertise and experience, free of any recurrent conflict of interest; having reputations, both personal and professional, consistent with the image and reputation of the Company; and being of the highest ethical character. No candidate may be selected if the election of such candidate as part of a slate to be recommended to the Board would cause the Board of Directors to consist of less than a majority of directors who are “independent” under Nasdaq listing criteria. In addition, at least one director willing to chair the Audit Committee should have the knowledge, credentials and experience sufficient to satisfy the definition of an “audit committee financial expert” as defined in the rules of the SEC. The Nominating and Corporate Governance Committee believes that one or more directors should have a substantial background in marketing services, contract sales or related fields. These guidelines may be supplemented or varied by the Committee as appropriate. The Board of Directors may also establish or recommend criteria for the election of nominees.

The Nominating and Corporate Governance Committee’s process for identifying and evaluating nominees is as follows:

In determining whether to recommend an incumbent director for renomination in connection with a stockholder meeting, the Committee will review such director’s overall service to the Company during the term

of his or her service, including the number of meetings attended, level of participation, quality of performance, and any circumstances that have presented or are expected to present a conflict of interest on the part of the director with the Company. In general, other than in cases of death or disability or pending or actual resignation or removal, no specific effort will be initiated to fill the position of an incumbent director unless and until such time as the full Board of Directors, upon recommendation of the Committee, has determined that such director will not be renominated.

New candidates for the Board of Directors will be considered by the Nominating Committee when the need to add a new Board Member or to fill a vacancy is identified. In addition, the Committee will on a regular basis consider appropriate potential candidates for nomination as Board members. The Committee will consider the criteria describe above and all other factors in considers relevant in selecting nominees. When a determination has been made that the Committee should recommend a nominee for election by the stockholders or to fill a vacancy, the Chairman of the Committee will initiate a search, seeking input from other members of the Committee, other Board members and senior management, and may, with the concurrence of the Committee, hire a search firm to assist in identifying candidates. The Committee generally will examine biographical and other written information regarding candidates and discuss the candidates and select from the candidates presented those it wishes to interview. When the interviews have been concluded, the Committee will make a recommend to the Board for each open position.

The Nominating and Corporate Governance Committee will consider written proposals from stockholders for nominees for director. All bona fide shareholder-recommended candidates will be considered on the same basis as other candidates. Any such nominations should be submitted to the Chairman of the Nominating and Corporate Governance Committee, c/o Ventiv Health, Inc., 200 Cottontail Lane, Vantage Court North, Somerset, New Jersey 08873, and should include the following: (a) all information relating to such nominee that is required to be disclosed pursuant to Regulation 14A under the Securities Exchange Act of 1934 (including such person's written consent to being named in the proxy statement as a nominee and to serving as director if elected); (b) whether the candidate qualifies as "independent" under NASD rules and for service on the Audit Committee under SEC rules; (c) the name and address of the recommending shareholder, as they appear on the Corporation's books, and of any beneficial owner on whose behalf the recommendation is made; (d) the class and number of shares of the Company that are beneficially owned and held of record by such shareholder and any such beneficial owner; (e) information regarding whether the recommending shareholder, beneficial owner or candidate or their affiliates have any plans or proposals for the Company; and (f) whether the recommending shareholder, beneficial owner or candidate seeks to use the nomination to redress personal claims or grievances against the Company or to further personal interests or special interests not shared by shareholders at large.

Two of the nominees for the Board of Directors, Mr. Lofberg and Mr. Jennings, are incumbent directors who were appointed to the Board of Directors to fill vacancies that arose subsequent to the 2004 Annual Meeting of Stockholders (one as a result of a director resignation and the other as a result of an increase in the size of the Board of Directors). Mr. Lofberg was recommended by our chief executive officer and Mr. Jennings was recommended by a non-management director. The Company did not retain a search firm for the purpose of identifying director candidates with respect to these vacancies, although it has engaged search firms in the past to identify director candidates.

Compensation of Directors

All non-management directors receive compensation of \$35,000 per year plus \$1,000 for attendance at each Board of Directors or Board Committee meeting, other than telephonic meetings. In addition, Board Committee Chairpersons receive additional annual compensation in the following amounts: Daniel M. Snyder (Chairman of the Board)—\$15,000, A. Clayton Perfall (Chairman of the Audit Committee)—\$25,000, and Per G.H. Lofberg, who is Chairman of the Compensation Committee (and cannot receive equity compensation pursuant to his current employment agreement with Merck Capital Ventures, LLC, his principal employer)—\$50,000. Eran Broshy is not additionally compensated for attending Board meetings.

Option grants for non-management directors are determined by the Compensation Committee from time to time. Non-management members of the Board of Directors have received options to purchase shares of Common Stock in the Company at the following dates and in the following amounts:

	<u>Date</u>	<u>Number of Options</u>
Daniel M. Snyder	September 1999	150,000
	December 2002	150,000
A. Clayton Perfall	September 1999	100,000
	December 2002	100,000
Donald Conklin	September 1999	50,000
	December 2002	50,000
John R. Harris	May 2000	50,000
	December 2002	50,000
Mark E. Jennings	February 2005	25,000

Non-management directors' options vest at a rate of 25% per year on the anniversary of the grant date, except for those options granted in December 2002, which vested at a rate of 25% per year from the anniversary of the date each individual was initially elected to the Board of Directors.

Indemnification

Limitation of Liability of Directors

Section 145 of the Delaware General Corporation Law permits the indemnification of directors, officers, employees and agents of a Delaware corporation. The Company's by-laws provide that the Company shall indemnify its directors and officers to the fullest extent permitted by the Delaware General Corporation Law. As permitted by the Delaware General Corporation Law, the Company's certificate of incorporation also limits the liability of directors of the Company for damages in derivative and third party lawsuits for breach of a director's fiduciary duty except for liability:

- for any breach of the director's duty of loyalty to the Company or its stockholders;
- for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;
- for unlawful payments of dividends or unlawful stock purchases or redemptions as provided in Section 174 of the Delaware General Corporation Law; or
- for any transaction for which the director derived improper personal benefit.

The limitation of liability applies only to monetary damages and, presumably, would not affect the availability of equitable remedies such as injunction or rescission. The limitation of liability applies only to the acts or omission of directors as directors and does not apply to any such act or omission as an officer of the Company or to any liabilities imposed under federal securities law.

Insurance

Pursuant to a contract of insurance for the period beginning January 1, 2005 and ending on January 1, 2006, with XL Specialty Insurance Company, One Constitution Plaza, 16th floor, Hartford, CT 06103, the Company maintains a \$20,000,000 directors' and officers' indemnification insurance policy providing indemnification for certain of the Company's directors, officers, affiliates, partners and employees for certain liabilities. The annual premium for such insurance is \$455,191. During 2004, no payments were received under the Company's indemnification insurance.

BENEFICIAL OWNERSHIP OF SECURITIES AND RELATED MATTERS

The following table sets forth certain information, to the knowledge of the Company, as of the Record Date (except as otherwise noted), with respect to the beneficial ownership of the Common Stock by (i) each person known to the Company to be the beneficial owner of more than 5% of the outstanding Common Stock, (ii) each director and nominee for director, (iii) each of the executive officers of the Company named in the Summary Compensation Table under “Executive Compensation,” and (iv) all directors and executive officers of the Company as a group.

Beneficial ownership is determined under the rules of the Securities and Exchange Commission and generally includes voting or investment power with respect to securities. Except as indicated in the footnotes to this table and pursuant to applicable community property laws, the persons named in the table below have sole voting and investment power with respect to all shares of Common Stock beneficially owned. The number of shares beneficially owned by each person or group as of the Record Date includes shares of Common Stock that such person or group had the right to acquire on or within 60 days after the Record Date, including, but not limited to, upon the exercise of options. References to options in the footnotes of the table below include only options to purchase shares that were exercisable on or within 60 days after the Record Date.

<u>Name and Address of Beneficial Owner (1)</u>	<u>Number of Shares and Nature of Beneficial Ownership</u>	<u>Percent of Class (2)</u>
Daniel M. Snyder (3)(4)	1,300,001	4.8%
A. Clayton Perfall (5)	100,000	*
Don Conklin (5)	80,000	*
John R. Harris (5)	50,000	*
Mark E. Jennings (5)	25,000	*
Per G.H. Lofberg	—	—
Eran Broshy (6)	348,010	1.3%
John R. Emery (5)	49,999	*
Terrell G. Herring	5,000	*
All directors and executive officers as a group (9 persons)	1,958,010	7.1%

* Denotes less than 1%.

- (1) Except as noted, the address for each such beneficial owner is c/o Ventiv Health, Inc., 200 Cottontail Lane, Vantage Court North, Somerset, New Jersey 08873
- (2) Percentage ownership is calculated by dividing the number of shares beneficially owned by each person or group listed in the table by the sum of the 26,728,664 shares of Common Stock outstanding on the Record Date plus the number of shares of Common Stock that such person or group had the right to acquire on or within 60 days after the Record Date.
- (3) Includes 300,000 shares of Common Stock issuable upon exercise of options. The address for Daniel M. Snyder is 21300 Redskin Park Drive, Ashburn, Virginia 20147.
- (4) Mr. Snyder holds interests in three private investment companies (“Private Funds”) to which shares of capital stock of the Company or its predecessor, Snyder Communications, Inc., were contributed in exchange for interests in the Private Funds. Under certain circumstances (principally at the discretion of the Private Funds), Mr. Snyder may receive shares of Common Stock held by the Private Funds in satisfaction of redemption rights. No such shares have been included in Mr. Snyder’s beneficial ownership of Common Stock set forth in the above table.
- (5) All shares reported comprise of Common Stock issuable upon exercise of options.
- (6) Includes 277,686 shares of Common Stock issuable upon exercise of options.

For additional information concerning the Company’s equity compensation plans, see Proposal No. 2.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 requires the Company's executive officers and directors, and persons who beneficially own more than ten percent (10%) of a registered class of the Company's equity securities, to file reports of ownership and changes in ownership with the Securities and Exchange Commission and the Nasdaq National Market System. In addition, under Section 16(a), trusts for which a reporting person is a trustee and a beneficiary (or for which a member of his immediate family is a beneficiary) may have a separate reporting obligation with regard to ownership of the Common Stock and other equity securities of the Company. Such reporting persons are required by rules of the Securities and Exchange Commission to furnish the Company with copies of all Section 16(a) reports they file. Based upon a review of the copies of such forms furnished to the Company and written representations from and communications with the Company's executive officers, directors and greater than ten percent (10%) beneficial stockholders, the Company believes that during 2004, all transactions were timely reported except as set forth below. To the Company's knowledge, all forms relating to transactions during 2005 have been timely filed.

The following is the number of late reports filed since the beginning of the fiscal year ended December 31, 2004 under Section 16(a) and the number of transactions reflected therein as not reported on a timely basis during such fiscal year or prior fiscal years by such executive officers and directors: Mr. Broshy filed one late report which covered one stock option award; Mr. Emery filed one late report which covered one stock option award; Mr. Vicciardo filed one late report which covered one stock option award; Mr. Herring filed one late report which covered one stock option award; and Mr. Snyder filed one late report which covered three transactions, one of which was a non-public exchange and the other two of which were charitable contributions.

**COMPENSATION AND OTHER INFORMATION
CONCERNING EXECUTIVE OFFICERS AND DIRECTORS**

Executive Officers

The following table sets forth certain information concerning our current executive officers:

<u>Name</u>	<u>Age</u>	<u>Positions with Company</u>
Eran Broshy	46	Chief Executive Officer and Director
John R. Emery	48	Chief Financial Officer and Secretary
Terrell G. Herring	41	President and Chief Operating Officer, Ventiv Commercial Services

Eran Broshy—please refer to the section entitled “Board of Directors” for a discussion of Mr. Broshy.

John R. Emery—Mr. Emery has served as the Chief Financial Officer of the Company since August 2001. Prior to that time, Mr. Emery was Chief Financial Officer of MedQuist Inc. During his tenure at MedQuist, revenues increased nearly five-fold and market capitalization increased from approximately \$200 million to \$1.5 billion. During this period MedQuist also completed a \$230 million acquisition of its largest competitor, acquired 20 smaller competitors and sold a 65% equity stake in the company to Philips Electronics for \$1.2 billion. Prior to joining MedQuist, Mr. Emery held the positions of CFO and Senior Vice President of Operations at Integra LifeSciences Corporation.

Terrell G. Herring—Mr. Herring has served as the President and Chief Operating Officer of Ventiv Commercial Services since March 2005. Since joining the Company in November 1999, Mr. Herring has held the positions of National Business Director, Vice President and General Manager, U. S. Sales, and President and COO, Ventiv Pharma Services. He has more than 18 years experience in the pharmaceutical sales industry. Before joining Ventiv, Mr. Herring was the Senior National Sales Director at Noven Pharmaceuticals where he focused on transdermal delivery and women’s health marketing. He began his career at Ciba-Geigy Pharmaceuticals and Solvay Pharmaceuticals where he held various sales management, training, development, marketing, and operations positions.

Summary Compensation Table

The following Summary Compensation Table sets forth the compensation earned for each of the last three completed fiscal years by (i) the person who served as the Corporation's chief executive officer during the last completed fiscal year and (ii) each officer of the Corporation other than the chief executive officer who was serving as an executive officer at the end of the last completed fiscal year.

SUMMARY COMPENSATION TABLE

<u>Name and Principal Position(s)</u>	<u>Annual Compensation</u>			<u>Long-Term Compensation Awards</u>	
	<u>Year</u>	<u>Salary</u>	<u>Bonus</u>	<u>Restricted Stock Award(s)(\$)(1)</u>	<u>Securities Underlying Options / SARs</u>
Eran Broshy Chief Executive Officer Ventiv Health, Inc.	2004	\$519,841	\$919,841(2)	—	200,000
	2003	\$504,587	\$600,000	—	55,000
	2002	\$468,250	\$250,000	—	120,000
John R. Emery Chief Financial Officer Ventiv Health, Inc.	2004	\$300,000	\$370,000	\$ 50,006	100,000
	2003	\$291,779	\$229,103	—	15,000
	2002	\$283,469	\$111,115	—	80,000
Leonard J. Vicciardo (3) President & COO Health Products Research	2004	\$300,000	\$220,000	—	50,000
	2003	\$289,626	\$290,000	—	15,000
	2002	\$281,190	\$100,000	—	80,000
Terrell G. Herring President & COO Ventiv Commercial Services	2004	\$304,615	\$429,615	\$175,009	150,000
	2003	\$291,187	\$410,098	\$ 84,500	20,000
	2002	\$260,556	\$153,000	—	135,000

(1) In January 2005, the Company granted Mr. Emery 2,431 shares of restricted Common Stock, which vest one-third on January 1, 2006 and two-thirds on January 1, 2007. The restricted stock agreement for this grant prohibits Mr. Emery from transferring any of his restricted shares during the vesting period.

In December 2003, the Company granted Mr. Herring 10,000 shares of restricted Common Stock, which vest equally on the first two anniversaries of the date of grant. In December 2004, the Company granted Mr. Herring 10,122 shares of restricted Common Stock, which vest one-third on January 1, 2006 and two-thirds on January 1, 2007. The restricted stock agreements for both grants prohibit Mr. Herring from transferring any of his restricted shares during the respective vesting periods.

Dividends will be paid on shares of restricted stock granted to the Company's executive officers if dividends are paid on the Company's capital stock. The Company has never paid dividends and has no plan to do so in the foreseeable future.

The value as of December 31, 2004 of all shares of restricted (unvested) stock held by Mr. Herring was \$307,279. No other named executive officer held unvested shares of restricted stock as of December 31, 2004.

(2) Of the total bonus of \$919,841 awarded to Mr. Broshy with respect to 2004, Mr. Broshy has elected to defer approximately \$389,881 in accordance with the Ventiv Health, Inc. Deferred Compensation Plan. See "Deferred Compensation Plan" below.

(3) In March 2005, the Company's Board of Directors determined that Mr. Vicciardo was no longer an executive officer of Ventiv Health, Inc.

Option Grants in Fiscal 2004

The following table sets forth information with respect to option grants during fiscal 2004 to the individuals named in the Summary Compensation Table pursuant to the Company's 1999 Stock Incentive Plan.

Name	Securities Underlying Options Granted (# of shares) (1)	% of Total Options Granted to Employees in 2004	Exercise Price (\$/Sh)	Expiration Date	Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term	
					5% (\$)	10% (\$)
Eran Broshy	200,000	14.1%	\$15.96	09/23/2014	\$2,007,432	\$5,087,226
John R. Emery	100,000	7.1%	\$15.96	09/23/2014	\$1,003,716	\$2,543,613
Leonard J. Vicciardo	50,000	3.5%	\$15.96	09/23/2014	\$ 501,858	\$1,271,806
Terrell G. Herring	150,000	10.6%	\$15.96	09/23/2014	\$1,505,574	\$3,815,419

(1) The grants made to Messrs. Broshy and Emery during 2004 vest over a six-year period, but are subject to acceleration upon the achievement of specified stock price target levels and achievement of budgeted EBIT; as a consequence of the achievement of some of these conditions, 50% of the grants made to Messrs. Broshy and Emery during 2004 are vested. The grants made to Messrs. Vicciardo and Herring during 2004 vest in four equal annual installments, contingent upon the executive officer's continued employment with the Company.

Aggregated Option Exercises in Fiscal 2004 and Year-End Option Values

The following table sets forth information with respect to options exercised during fiscal 2004 to the individuals named in the Summary Compensation Table pursuant to the Company's 1999 Stock Incentive Plan.

Name	Shares Acquired on Exercise	Value Realized (\$)	Number of Securities Underlying Unexercised Options/SARs at Fiscal Year End Exercisable/Unexercisable	Value of Unexercised in-the-money Options/SARs Fiscal Year End Exercisable/Unexercisable
Eran Broshy	—	—	577,688 / 301,250	\$9,507,081 / \$2,481,237
John R. Emery	143,750	1,793,416	— / 251,250	\$ — / \$2,947,938
Leonard J. Vicciardo	98,582	1,033,211	59,168 / 114,250	\$1,009,534 / \$1,323,898
Terrell G. Herring	114,000	1,331,074	— / 242,000	\$ — / \$2,232,993

Nonqualified Deferred Compensation Plan

In November 2004 the Company adopted the Ventiv Health, Inc. Deferred Compensation Plan (the "NQDC Plan"). Pursuant to the NQDC Plan, eligible executive officers and other officers may make deferral elections for periods commencing January 1, 2005. As noted above, Mr. Broshy elected to defer a portion of his bonus with respect to the Company's 2004 fiscal year, which was awarded and paid to Mr. Broshy during 2005. In addition, Mr. Broshy has elected to defer approximately 20% of his base salary pursuant to the NQDC Plan. None of the other executive officers of the Company elected to participate in the NQDC Plan during 2005. The NQDC Plan does not provide for the payment of above-market interest to participants.

COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION

The information contained in this report shall not be deemed to be “soliciting material” or “filed” or incorporated by reference in future filings with the SEC, or subject to the liabilities of Section 18 of the Securities Exchange Act of 1934, except to the extent that we specifically incorporate it by reference into a document filed under the Securities Act of 1933 or the Securities Exchange Act of 1934.

The basic responsibilities of the Compensation Committee are to review the performance of Company management in achieving corporate goals and objectives and to assure that senior executives of the Company are compensated effectively in a manner consistent with the strategy of the Company, competitive practice, and the requirements of the appropriate regulatory bodies. Toward that end, the Compensation Committee oversees, reviews and administers all compensation, equity and employee benefit plans and programs.

In an effort to enhance corporate governance and clarify the role of the Compensation Committee with respect to carrying out the foregoing responsibilities, the Board of Directors adopted a Compensation Committee Charter in March 2004. The Charter provides that the Compensation Committee must consist of at least two directors who are “non-employee directors” within the meaning of Rule 16b-3 issued by the Securities and Exchange Commission, “outside directors” within the meaning of Section 162(m) of the Internal Revenue Code, as amended, and “independent” within the meaning of applicable NASDAQ rules and interpretations.

Executive Officer Compensation

The Committee seeks to establish competitive levels of cash and long-term incentive compensation and to structure an overall compensation package that recognizes and rewards executive officers for current year performance, motivates executive officers to achieve specified performance targets on an annual basis and align the interests of executive officers with the long-term interests of the Company’s stockholders.

During 2004, the Committee received support and input from a compensation consultant, Cook & Associates, in determining its approach to executive officer compensation for 2004 and beyond. The Committee reviewed, among other things, analyses of cash compensation, long-term incentive compensation and total compensation for the Company’s executive officers and for executive officers at a peer group of companies in order to assess whether compensation was being maintained at competitive levels and was appropriately structured to achieve retention objectives and alignment with stockholder interests. In conducting this review, the Committee sought to establish executive compensation at approximately the 25% percentile of peer group compensation. In conjunction with its review, the Committee engaged in an iterative process with the Chief Executive Officer to consider and refine various proposals responsive to the analytical findings of the Company’s compensation consultant.

In November 2004, the Company adopted the NQDC Plan pursuant to which eligible executive officers and other officers may make deferral elections for periods commencing January 1, 2005. The Committee believes the NQDC Plan will contribute materially to the retention of eligible employees, including the executive officers participating therein.

Cash Compensation. All of the Company’s executive officers have employment agreements that establish a base salary, subject to such merit increases as may be approved by the Company. See “Executive Compensation—Executive Employment Contracts.” In determining whether to increase each officer’s base salary with respect to 2004, the Committee considered the position, level and scope of responsibility of the officer and the performance of the Company during 2003, as well as cost-of-living benchmarks. In addition, the Committee approved an increase in Mr. Herring’s base salary in October 2004 based on his increased responsibilities relating to the Franklin acquisition.

Annual Bonus. Cash bonuses are awarded annually to the Company's executive officers pursuant to a cash bonus plan (the "Cash Bonus Plan"). The Cash Bonus Plan establishes a bonus range of 0 to 100% of base salary for the Company's executive officers and provides for the payment of a target bonus at the midpoint of this range based 70% on the achievement of budgeted EBIT targets, which are determined annually by the Board of Directors, and a 30% discretionary component based on individual performance. The Cash Bonus Plan provides for bonus payments in excess of the target bonus based on EBIT measures exceeding EBIT targets, with the high end of the bonus range payable at 130% of targeted EBIT.

At its meetings on September 15, October 18, and November 1, 2004, the Compensation Committee reviewed the Company's performance for the year to date and determined that bonuses in excess of the award ranges that had initially been established in the Cash Bonus Plan were warranted for 2004 for the Company's executive officers. The Committee took into account the following considerations, among others, in determining that an upward departure from the initial bonus range was appropriate:

- 2004 EBIT was approximately 200% of the Board-approved EBIT budget. The possibility of the Company's financial results so substantially exceeding expectations had not been taken into account in formulating the 2004 bonus plan.
- The Company successfully completed several substantial acquisitions during 2004 and rapidly integrated the acquired business operations.
- As a consequence of substantial new contract wins and its successful acquisition program, the Company consolidated its position as a preeminent provider of outsourced services to the pharmaceutical industry.

In light of these considerations, the Committee determined that it was appropriate to award 2004 performance bonuses for executive officers by extrapolating from the established EBIT scale without a cap on the achievable bonus. It was also determined that a portion of the special bonus should be awarded to the Company's Chief Financial Officer and the President and Chief Operating Officer of the Company's Ventiv Commercial Services business unit in the form of restricted shares. A corresponding modification of the overall bonus level for the Company's Chief Executive Officer was discussed and approved in concept by the Company's independent directors in executive session on December 8, 2004. In light of the substantial value of the Chief Executive Officer's previous equity incentive awards, however, it was determined that the 2004 bonus to the Chief Executive Officer under the Cash Bonus Plan would not include a restricted share component. The foregoing bonus determinations for executive officers were finalized by the Committee on April 11, 2005 in accordance with the Company's practice of awarding executive bonuses after the Committee has received and reviewed the Company's audited year-end financial results.

Long-Term, Equity-Based Incentive Awards. The goal of the Company's long-term, equity-based incentive awards is to align the interests of executive officers with shareholders and to provide each executive officer with a significant incentive to manage the Company from the perspective of an owner with an equity stake in the business. The Committee determines the size of the long-term, equity-based incentives according to each executive's position within the Company and sets a level it considers appropriate to create a meaningful opportunity for reward predicated on increasing shareholder value. In addition, the Committee takes into account an individual's performance history, his or her potential for future responsibility and promotion, and competitive total compensation targets for the individual's position and level of contribution. The relative weight given to each of these factors varies among individuals at the Committee's discretion.

During 2002, the Committee determined to abandon its historical practice of making long-term, equity-based incentive awards in December of each year and to instead evaluate the benefits of such awards on an ad hoc basis. The Committee believes such an approach will provide it with a greater opportunity to optimize the value of such awards to the Company. The Committee's philosophy is that incentive awards should not be an automatic component of annual compensation but instead should be structured to maintain an appropriate retention incentive for executive officers and an alliance with shareholders interests.

The Committee granted a total of 500,000 options and 12,553 shares of restricted stock to the Company's executive officers with respect to the 2004 fiscal year under the Company's 1999 Stock Incentive Plan. Grant levels for the named executive officers were determined by considering total target compensation of the executive officers relative to their peer group targets, and then allocating the difference to long-term incentive compensation using a Black-Scholes valuation model.

Each option grant allows the executive officer to acquire shares of the Company's common stock at a fixed price per share (the market price on the grant date) over a specified period of time. Options and restricted stock granted to the Company's executive officers generally vest in periodic installments over a four-year period, contingent upon the executive officer's continued employment with the Company. The grants made to Messrs. Broshy and Emery during 2004 vest over a six-year period, but are subject to acceleration upon the achievement of specified stock price target levels and achievement of budgeted EBIT; as a consequence of the achievement of some of these conditions, 50% of the grants made to Messrs. Broshy and Emery during 2004 are vested. Restricted stock grants granted in 2004 vest over a two-year period, with 1/3 vesting at the end of the first year and 2/3 at the end of the second year.

Compensation of the Chief Executive Officer

Mr. Broshy's overall compensation for 2004 was determined in a manner consistent with that described above for other executive officers of the Company. All deliberations concerning Mr. Broshy's compensation were conducted by the Committee without Mr. Broshy's participation.

For 2004, Mr. Broshy's base salary was \$519,841, reflecting an increase of 3% over 2003, and he received a cash bonus of \$919,841. During 2004, Mr. Broshy was granted 200,000 options exercisable at \$15.96 per share and vesting over a six-year period. As described above, the vesting of 50% of these options has been accelerated based on the achievement of a specified stock price target level and achievement of budgeted EBIT.

The factors considered by the Compensation Committee in determining Mr. Broshy's base salary, bonus payment and equity-based incentive award for 2004 were the dramatic and sustained improvement in the Company's profitability from continuing operations in 2004 compared to the prior year and compared to the Board-approved budget for 2004, the successful execution of the Company's acquisition program and the integration of acquired operations and his continuing leadership and establishment and implementation of strategic direction for the Company. Although Mr. Broshy did not make any recommendation to the Committee concerning his bonus level for 2004, the Committee determined that it was appropriate to make a special bonus award to Mr. Broshy at a level consistent with other executive officers.

Mr. Broshy's employment agreement with the Company, which was entered into in 1999 and amended in 2002, established minimum base salary and target bonus levels. The employment agreement, which is described below, resulted from arms'-length negotiations. Over the years, as a consequence of discretionary increases in Mr. Broshy's base salary as contemplated by his employment agreement, the refinement of the Company's executive compensation practices and the vesting of the initial equity incentive awards made to Mr. Broshy, the employment agreement has taken on reduced significance in determining his compensation.

Deductibility of Compensation

Under Section 162(m) of the Internal Revenue Code and regulations adopted thereunder by the Internal Revenue Service, publicly held companies may be precluded from deducting certain compensation paid to an executive officer in excess of \$1.0 million in a year. The regulations exclude from this limit performance-based compensation and stock options provided certain requirements, such as stockholder approval, are satisfied. We plan to take actions, as necessary, to ensure that its stock option plans and executive annual cash bonus plans qualify for exclusion. All compensation paid to the Company's executive officers during 2004 will be deductible for federal income tax purposes under Section 162(m).

Submitted by the Compensation Committee of the Board of Directors

Donald Conklin

Executive Employment Contracts

The Company has entered into employment agreements with each of the named officers below and on such terms and conditions as are described.

Eran Broshy. On June 14, 1999, Snyder Communications, Inc. retained the services of Mr. Broshy as President of Snyder Communications, Inc.'s healthcare group. Under the terms of Mr. Broshy's employment agreement, which was assumed by the Company in connection with the spin-off from Snyder Communications, Inc., and an amendment to the employment agreement made April 8, 2002, he was entitled to an initial annual base salary of \$490,000; his base salary currently in effect is \$535,436. He is also eligible for an annual bonus award of up to 100% of annual base salary, with the target bonus being 50% of annual base salary, based on certain performance measures. Any bonus determination, either within or outside of Mr. Broshy's contractual range, is discretionary. Under his employment agreement, the Company granted to Mr. Broshy 503,938 non-qualified options to purchase Common Stock at an exercise price equal to \$7.9375, the closing price of Company Common Stock on the date of the spin-off. Under the original terms of grant, these options vested at the rate of 25% per year on each anniversary of the grant date, provided he is still employed by the Company on the applicable vesting date. Under the Company's May 2002 Employee Stock Option Exchange Offer, Mr. Broshy elected to tender these options to the Company in exchange for an equivalent number of replacement options with an exercise price equal to \$4.00, but with each vesting date under the vesting schedule extended by six months. All of these options are now fully vested. In December 2002 the Company granted Mr. Broshy options to purchase an additional 120,000 shares of common stock at an exercise price of \$1.66 per share, vesting over a four-year period. In December 2003 the Company granted Mr. Broshy options to purchase an additional 55,000 shares of common stock at an exercise price of \$8.45 per share, vesting over a four-year period. In September 2004, the Company granted Mr. Broshy options to purchase an additional 200,000 shares of common stock at an exercise price of \$15.96 per share, vesting over a six-year period, with accelerated vesting clauses based on certain company performance measures and achievement of company share price targets, which targets have been achieved with respect to 50% of the shares subject to this grant.

The agreement provides that upon a "change in control" of the Company, the vesting of both the stock options and any restricted stock will accelerate so that Mr. Broshy's options and restricted stock would be fully vested, and that Mr. Broshy would be awarded a lump sum equal to two times his annual base salary plus two times his target bonus unless he continues to be employed by the Company for at least 18 months. For purposes of his employment agreement, "change in control" means any sale, transfer or other disposition of all or substantially all of the assets of the Company or the consummation of a merger or consolidation of the Company which results in the Company's stockholders immediately prior to such transaction owning, in the aggregate, less than a majority of the surviving entity. In the event of Mr. Broshy's termination without cause, he is entitled to receive a lump sum of one time his annual base salary plus target bonus, plus up to an additional twelve monthly payments of his monthly base salary plus target bonus offset by any compensation Mr. Broshy earns through other employment.

John R. Emery. Ventiv Health, Inc. entered into an employment agreement with John R. Emery on August 13, 2001, which was amended as of January 1, 2004. Mr. Emery was entitled to an initial annual base salary of \$270,000; his base salary currently in effect is \$309,000. He is also eligible for an annual bonus award of up to 100% of annual base salary, with the target bonus being 50% of annual base salary, based on certain performance measures. Any bonus determination, either within or outside of Mr. Emery's contractual range, is discretionary. In August 2001 the Company granted him options to purchase 200,000 shares of common stock at an exercise price of \$9.99 per share, vesting over a four-year period. Under the Company's May 2002 Employee Stock Option Exchange Offer, Mr. Emery elected to tender these options to the Company in exchange for an equivalent number of replacement options with an exercise price equal to \$4.00, but with each vesting date under the vesting schedule extended by six months. In December 2002 the Company granted Mr. Emery options to purchase an additional 80,000 shares of common stock at an exercise price of \$1.66 per share, vesting over a four-year period. In December 2003 the Company granted Mr. Emery options to purchase an additional 15,000 shares of common

stock at an exercise price of \$8.45 per share, vesting over a four-year period. In September 2004, the Company granted Mr. Emery options to purchase an additional 100,000 shares of common stock at an exercise price of \$15.96 per share, vesting over a six-year period, with accelerated vesting clauses based on certain company performance measures and achievement of company share price targets, which targets have been achieved with respect to 50% of the shares subject to this grant.

In the event of Mr. Emery's termination without cause, he is entitled to receive his base salary until the earlier of twenty-six (26) weeks after his termination or the date he gains new employment. The agreement provides that upon a "change in control" of the Company, the vesting of stock options will accelerate so that Mr. Emery's options would be fully vested in the event that Mr. Emery is terminated without cause within six months following the change in control. For purposes of his employment agreement, "change in control" means any sale, transfer or other disposition of all or substantially all of the assets of the Company or the consummation of a merger or consolidation of the Company which results in the Company's stockholders immediately prior to such transaction owning, in the aggregate, less than a majority of the surviving entity. Mr. Emery's agreement also provides that in the event of a change in control, Mr. Emery will be eligible for payments of up to one year of base salary in lieu of severance or any other payments, in the event that Mr. Emery has appropriately fulfilled his obligations to facilitate a change in control of the Company for a period of up to one year following the change in control.

Terrell G. Herring. Mr. Herring's employment agreement executed in April 2002 entitled him to an initial annual base salary of \$230,000; his base salary currently in effect is \$350,000. He is also eligible for an annual bonus of up to 100% of base salary, with the target bonus being 50% of annual base salary, based on certain performance measures. Any bonus determination, either within or outside of Mr. Herring's contractual range, is discretionary. The Company has granted Mr. Herring non-qualified options to purchase an aggregate of 356,000 shares of common stock, at exercise prices ranging from \$1.66 to \$15.96. Mr. Herring elected not to tender any of these options under the Company's May 2002 Employee Stock Option Exchange Offer. In December 2003, the Company granted Mr. Herring 10,000 shares of restricted Common Stock, which vest equally on the first two anniversaries of the date of grant. In November 2004, the Company granted Mr. Herring 10,122 shares of restricted Common Stock, which vest one-thirds on January 1, 2006 and two-thirds on January 1, 2007. The restricted stock agreements for both grants prohibit Mr. Herring from transferring any of his restricted shares during the respective vesting periods.

In the event of Mr. Herring's termination without cause, he is entitled to receive his base salary until the earlier of 52 weeks after his termination or the date he gains new employment. The agreement provides that upon a "change in control" of the Company, the vesting of stock options will accelerate so that Mr. Herring's options would be fully vested in the event that Mr. Herring is terminated without cause within six months following the change in control. For purposes of his employment agreement, "change in control" means any sale, transfer or other disposition of all or substantially all of the assets of the Company or the consummation of a merger or consolidation of the Company which results in the Company's stockholders immediately prior to such transaction owning, in the aggregate, less than a majority of the surviving entity. Mr. Herring's agreement also provides that in the event of a change in control, Mr. Herring will be eligible for payments of up to one year of base salary in lieu of severance or any other payments, in the event that Mr. Herring has appropriately fulfilled his obligations to facilitate a change in control of the Company for a period of up to one year following the change in control.

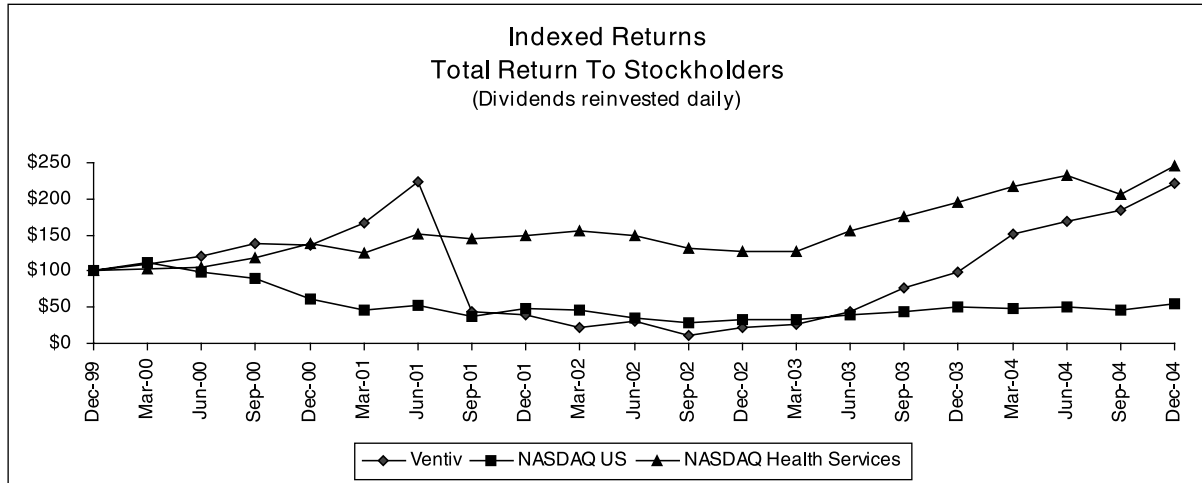
Each of the employment agreements described above contains a non-competition commitment during the term of employment and for a period of 12 months after termination of employment. Additionally, each employment agreement contains a non-solicitation provision and provides for assignment by the employee to his employer of any work products developed by him during the term of his employment.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

The members of the Compensation Committee for the 2004 fiscal year were Fred Drasner and Donald Conklin. (Per Lofberg replaced Fred Drasner, who retired from the Board, in February 2005.) No member of the Compensation Committee was at any time during the 2004 fiscal year or at any other time an officer or employee of the Company, and no member had any relationship with the Company requiring disclosure under Item 404 of Regulation S-K. No executive officer of the Company has served on the board of directors or compensation committee of any other entity that has or has had one or more executive officers who served as a member of the Board of Directors or the Compensation Committee during the 2004 fiscal year.

STOCKHOLDER RETURN PERFORMANCE GRAPH

SEC rules require proxy statements to contain a performance graph comparing the performance of the Company's Common Stock against a broad market index and against either a published industry or line-of-business index or a group of peer issuers. The following graph compares the cumulative total return on a \$100 investment in the Company's Common Stock against the cumulative total return on a similar investment in (i) the Total Return Index for The Nasdaq Stock Market (US) and (ii) Nasdaq Health Services Stocks. The graph assumes that all investments were made on December 31, 1999 and are held through the year ended December 31, 2004 and that all dividends are reinvested on a daily basis.



*Ventiv Health vs. The Nasdaq Stock Market (US) vs. Nasdaq Health Services
(Dividends reinvested daily)*

	<u>Dec-99</u>	<u>Dec-00</u>	<u>Dec-01</u>	<u>Dec-02</u>	<u>Dec-03</u>	<u>Dec-04</u>
Ventiv Health, Inc	100.00	136.70	39.83	22.10	99.56	221.11
The Nasdaq Stock Market (US)	100.00	60.31	47.84	33.07	49.45	53.81
Nasdaq Health Services Stocks	100.00	137.27	148.41	127.88	195.55	246.44

Returns for the Company's Common Stock depicted in the graph are not necessarily indicative of future performance. The above graph shall not have been deemed incorporated by reference by any general statement incorporating by reference this Proxy Statement into any filing under the Securities Act of 1933 or under the Securities Exchange Act of 1934, except to the extent the Company specifically incorporates this information by reference, and shall not otherwise be deemed filed under such Acts.

AUDIT COMMITTEE REPORT

The Audit Committee oversees the Company's financial reporting process on behalf of the Board of Directors. Management has the primary responsibility for the financial statements and the reporting process, including the system of internal controls. The independent registered public accounting firm are responsible for performing an independent audit of the Company's consolidated financial statements in accordance with generally accepted accounting principles and issuing a report thereon. The Committee reviews and oversees these processes, including oversight of (i) the integrity of the Company's financial statements, (ii) the Company's independent registered public accounting firm' qualifications and independence, (iii) the performance of the Company's independent registered public accounting firm and the Company's internal audit function and (iv) the Company's compliance with legal and regulatory requirements.

In this context, the Committee met and held discussions with management and the independent registered public accounting firm. Management represented to the Committee that the Company's consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States, and the Committee reviewed and discussed the consolidated financial statements with management and the independent registered public accounting firm. The Committee also discussed with the independent registered public accounting firm the matters required to be discussed by Statement on Auditing Standards No. 61 (Codification of Statements on Auditing Standards, AU 380), as amended.

In addition, the Committee discussed with the independent registered public accounting firm the auditors' independence from the Company and its management, and the independent registered public accounting firm provided to the Committee the written disclosures and letter required from the independent registered public accounting firm by the Independence Standards Board Standard No. 1 (Independence Discussions With Audit Committees).

The Committee approved the engagement of Deloitte & Touche LLP as independent registered public accounting firm for the Company for its 2004 fiscal year. The Committee discussed with the Company's independent registered public accounting firm the overall scope and plans for their respective audits. The Committee met with the independent registered public accounting firm to discuss the results of their examinations, the evaluations of the Company's internal controls, and the overall quality of the Company's financial reporting.

Based on the reviews and discussions referred to above, the Committee recommended to the Board of Directors, and the Board has approved, that the audited financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2004 for filing with the SEC.

Submitted by the Audit Committee of the Board of Directors

Donald Conklin
John R. Harris
A. Clayton Perfall (Chairman)

The information contained in the foregoing report shall not be deemed to be "soliciting material" or to be "filed" with the Securities and Exchange Commission, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that the Company specifically incorporates it by reference in such filing.

PROPOSAL 1—ELECTION OF DIRECTORS

Nominees for Election as Directors

The Certificate of Incorporation and Bylaws of the Company provide that directors shall be elected at each annual meeting of the Company's stockholders. The number of directors constituting the full Board of Directors currently is fixed at seven (7) directors. Proxies may not be voted for a greater number of persons than the number of nominees named.

Seven (7) nominees are named in this Proxy Statement. If elected, each of the directors will serve for a one-year term expiring at the 2005 Annual Meeting or at the earlier of his resignation or removal. The Board of Directors has nominated the seven (7) incumbent directors for election to the Board: Daniel M. Snyder, Eran Broshy, A. Clayton Perfall, Donald Conklin and John R. Harris, Per G.H. Lofberg and Mark E. Jennings.

Approval of the election of each of the nominees as directors of the Company requires the affirmative vote of a plurality of the votes cast at the Annual Meeting. The persons named in the enclosed form of proxy have advised that, unless contrary instructions are received, they intend to vote "FOR" the seven (7) nominees named by the Board of Directors.

The Board of Directors expects that all of the nominees will be available for election as a director. However, if by reason of an unexpected occurrence one or more of the nominees is not available for election, the persons named in the form of proxy have advised that they will vote for such substitute nominees as the Board of Directors of the Company may propose.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT THE STOCKHOLDERS OF THE COMPANY VOTE "FOR" THE ELECTION OF EACH OF THE NOMINEES TO SERVE AS DIRECTORS OF THE COMPANY FOR THE TERM INDICATED.

PROPOSAL 2—APPROVAL OF AMENDMENT TO COMPANY'S STOCK INCENTIVE PLAN

Summary of Proposed Amendment

We are seeking shareholder approval of an amendment to the Company's Stock Incentive Plan (the "Stock Plan") that increases the number of shares of Ventiv Health, Inc. ("Ventiv") common stock that may be issued thereunder by 2.6 million shares. The proposed increase in share availability is the only material amendment proposed to be made to the Stock Plan. If the amendment is approved, the total number of shares subject to the Stock Plan would increase from 7,200,000 to 9,800,000 and the total of outstanding and shares available for issuance would be approximately 7.2 million. The Stock Plan would otherwise remain unaltered in all material respects.

The Stock Plan was established in 1999 and amended on June 16, 2004. Of the 7,200,000 shares of common stock authorized for issuance pursuant to the Stock Plan as currently in effect, 1,186,922 shares remain available and 3,435,687 options and of restricted stock (including vested shares) were outstanding as of the Record Date. This restricted share data excludes 831,502 vested shares of originally restricted stock that were granted outside the Stock Plan during 1999, of which 40,324 shares continue to be held by the recipients of the awards. The Compensation Committee has approved, and the Board of Directors has ratified, an amendment of the Stock Plan to increase the share availability thereunder by 2.6 million, subject to stockholder approval. This amount would restore Stock Plan availability, including outstanding grants and shares available to be granted as of the Record Date, to approximately 7.2 million.

The Compensation Committee and the Board believe that long-term incentive awards are an important component of executive compensation. The proposed amendment is intended to assure sufficient availability under the Stock Plan to meet the Company's compensation requirements, including some for potential future

acquisitions, in a manner consistent with the goals and philosophy of the Compensation Committee. Many of the options previously issued under the Stock Plan to management have fully vested and exercised. Directors and officers beneficially owned approximately 7.1% of the total shares outstanding (including the number of shares the group had the right to own within 60 days after the Record Date) on the Record Date, versus 21.3% and 22.0% on the record dates for the 2004 and 2003 annual meetings, respectively. In addition, significant grants under the Stock Plan were made in conjunction with the acquisitions completed by the Company during 2004.

The following table summarizes information concerning the number of shares subject to outstanding Stock Plan awards and the number of shares available to be issued under the Stock Plan (i) as of June 30, 2004, (ii) as of the Record Date and (iii) following the proposed Stock Plan amendment (assuming no further issuances or cancellations under the Stock Plan prior to the date of the 2005 Annual Meeting):

	<u>June 30, 2004</u>	<u>Record Date</u>	<u>Proposed Increase</u>	<u>As Proposed to be Amended</u>
Available	2,457,396	1,186,922	2,600,000	3,786,922
Outstanding	3,578,322	3,435,687	—	3,435,687
Total Available and Outstanding	<u>6,035,718</u>	<u>4,622,609</u>	<u>2,600,000</u>	<u>7,222,609</u>

Material Features of the Option Plan

The Stock Plan as proposed to be amended is summarized below. However, this summary is qualified in its entirety by reference to the text of the Stock Plan. A complete copy of the amended Stock Plan is attached to this proxy statement as Appendix A.

Eligibility. Under the terms of the Stock Plan, directors, officers, employees and consultants of Ventiv and its subsidiaries designated by the Compensation Committee are eligible to participate in the Stock Plan.

Limitation on Awards to Any Individual. Under the Stock Plan, the maximum number of shares of Common Stock with respect to which options or other awards may be granted to any individual in any calendar year may not exceed 1,000,000 shares.

Administration. The Compensation Committee administers the Stock Plan.

Shares Subject to the Stock Plan. The aggregate number of shares subject to the Stock Plan shall not exceed 9.8 million shares of Common Stock.

Stock Options

Exercise Price. The purchase price of a share of Common Stock covered by an option may not be less than 100% of the fair market value of a share of Common Stock on the date of grant.

Option Vesting and Exercise. The Compensation Committee determines the vesting period and all other terms and conditions of each option, except that no option may be exercisable more than ten years from the date of its grant. The Compensation Committee may, in its discretion, accelerate the vesting of any option. An option may only be exercised to the extent that it is vested. Participants may exercise options by delivering cash, Common Stock or any combination thereof.

Termination of Employment. The Compensation Committee determines when, if at all, an option will vest when a participant in the plan leaves Ventiv. Generally, if a participant’s employment or service is terminated other than by death or disability, his or her options will cease to vest immediately and the options will terminate three months after termination of employment or service. If a participant dies or becomes disabled, his or her options will terminate after one year. In no event may an option terminate later than ten years after granted.

Stock Appreciation Rights. Stock appreciation rights may only be granted in conjunction with options granted under the plan, either at the time of the option grant or at any time after the option grant. Stock appreciation rights may not be exercised by a participant who is a director or officer (as defined under the securities laws) within six months after being granted, except in the case of the death or disability of the participant. Stock appreciation rights are exercisable only when the related option is exercisable.

Upon exercise of a stock appreciation right, the participant will be entitled to the difference between the fair market value of a share of Common Stock underlying the related option and the per share exercise price of the related option, multiplied by the number of shares represented by the stock appreciation right. The Compensation Committee will determine the form of payment, which may be in cash, Common Stock or any combination of cash and stock.

A stock appreciation right may be exercised without exercising the related option, but the related option will be cancelled to the extent the right is exercised. Similarly, a related option may be exercised without exercising the stock appreciation right, but the stock appreciation right will be cancelled to the extent the option is exercised.

Restricted Stock

The Compensation Committee determines the terms and conditions of restricted stock awards; the restricted period for the award; the restrictions applicable to an award, which may include continued employment and specific corporate, divisional or individual performance standards or goals; whether the participant will receive dividends and other distributions on the restricted stock during the restricted period or whether they will be withheld until the restrictions have been satisfied; whether the award will vest in the event of the participant's death or disability prior to expiration of the restrictions; and whether to waive any or all of the restrictions.

Upon an award of restricted stock, a participant becomes a stockholder with respect to those shares of restricted stock and is entitled to vote those shares.

Non-Transferability of Options. Except as provided by the Compensation Committee, awards may (1) not be transferred by a participant during the participant's lifetime, (2) not be assigned or otherwise disposed of except by will or by applicable laws of descent and distribution or (3) only be exercised during the participant's lifetime by the participant or the participant's guardian or legal representative.

Restricted Stock Units

The Compensation Committee IS authorized to grant restricted stock units to participants and to determine the vesting period and conditions and all other terms and conditions applicable thereto. Upon vesting, a participant IS entitled to receive, at the option of the Company, either one share of Common Stock or a cash payment equal to the fair market value thereof for each restricted stock unit. A participant has the right elect, at least one year prior to any vesting date, to defer receipt of any vested restricted stock units and thereby defer recognition for federal income tax purposes of that portion of the award.

As a consequence of recent amendments to the Internal Revenue Code provisions governing deferred compensation that limit the utility of restricted stock units, the Company believes it is unlikely that any restricted stock units will be issued.

Corporate Changes

The Stock Plan provides that the Compensation Committee may adjust, as it deems appropriate, the maximum number of shares that may be subject to options or awards or that may be granted to any individual in any calendar year, and the terms of any outstanding options or awards under the Stock Plan, to reflect changes in outstanding stock that occur because of stock dividends, stock splits, recapitalizations, reorganizations, liquidations or other similar events.

If the Company merges or consolidates with another corporation, liquidate or dispose of all or substantially all of our assets while there are unexercised options outstanding:

- after the effective date of the merger, consolidation, liquidation or disposition, as the case may be, each holder of an option will be entitled, upon exercise of the option, to receive, in place of the Common Stock, the number and class or classes of stock or other securities or property to which the holder would have been entitled if the holder had held the stock underlying the option directly immediately prior to the event in question; or
- if the options have not already become exercisable, the Compensation Committee may accelerate vesting so that the options will be exercisable in full.

Federal Income Tax Consequences. The following discussion is intended only as a brief summary of the federal income tax rules relevant to stock options and restricted stock. The laws governing the tax aspects of awards are highly technical, and such laws are subject to change.

Non-Incentive Stock Options. The grant of a non-incentive stock option will not by itself result in taxable income to the participant; however, upon exercise of the option, a participant will be deemed to have received ordinary income in an amount equal to the excess of (a) the value of the shares received upon exercise of the option over (b) the purchase price of the shares received upon exercise of the option. Subject to certain exceptions relating to “cashless/same day sale” exercises, the value of the shares received upon exercise of the option will be the fair market value of the shares on the date of exercise of the option. Generally, the Company does not receive a deduction at the time of grant, but receives a deduction for the amount the participant reports as ordinary income arising from the exercise of the option.

Incentive Stock Options. The Company is not allowed a deduction at any time in connection with, and the participant is not taxed upon either the grant or the exercise of, an incentive stock option. The difference between the exercise price of the option and the market value of the shares of common stock at the date of exercise, however, constitutes a tax preference item for the participant in the year of exercise for alternative minimum tax purposes. Among other requirements, the stock acquired by the participant must be held for at least two years after the option is granted and for at least one year after the option is exercised for the option to qualify as an incentive stock option. If the participant satisfies these holding period requirements, the participant will be taxed at long-term capital gains rates upon any gain realized upon disposition of the stock. The participant’s gain will be equal to the difference between the sales price of the stock and the exercise price. If the participant disposes of the shares of stock acquired pursuant to the exercise of an option before meeting the requirements for treatment as an incentive stock option, the participant recognizes ordinary income in the taxable year of the disposition equal to the excess of (i) the lower of the fair market value at date of exercise or such value at the time of disposition over (ii) the exercise price, and the Company receives a deduction in an equal amount.

Restricted Stock. In general, the grant of a restricted stock award will not result in any current income tax consequences to the recipient or the Company. Instead, the recipient will be taxed, at ordinary income rates, on the excess of the fair market value of the Company’s stock over the amount paid by the recipient for such stock, as such stock becomes “substantially vested”. For these purposes, restricted stock will be considered substantially vested on the date that it either becomes transferable or ceases to be subject to a substantial risk of forfeiture (this typically occurs as the restricted stock award vests).

The recipient of a restricted stock award may elect, under Internal Revenue Code Section 83(b), to treat a grant of restricted stock as substantially vested on the date of grant. If such an election is made, the recipient would be taxed on the date of grant, at ordinary income rates, on the excess of the fair market value of the Company’s stock on the date of grant over the amount paid by the recipient for the stock. In order to be valid, an election under Internal Revenue Code Section 83(b) must be made within thirty days of the date of grant of a restricted stock award.

The Company will be entitled to a deduction for compensation paid, subject to any applicable limitations, at the time and in the amount reported by the award recipient.

Stock Option Plan Data

Awards under the option plan have historically been made principally to senior management, non-management directors and key employees. It is impossible at the present time to indicate specifically the names of persons to whom future options will be granted, or the aggregate number of shares, within the limitations of the Stock Plan. The following table summarizes the awards under the Stock Plan with respect to the last fiscal year to the persons set forth below:

	<u>Number of Options Granted</u>	<u>Average Per Share Exercise Price of Options Granted</u>	<u>Restricted Stock Awards (\$)</u>
Eran Broshy	200,000	\$15.96	—
John R. Emery	100,000	\$15.96	\$ 50,006
Leonard J. Vicciardo	50,000	\$15.96	—
Terrell G. Herring	150,000	\$15.96	\$175,009
All executive officers, as a group	500,000	\$15.96	—
All non-management directors, as a group	—	—	—
All employees who are not executive officers, as a group	916,685	\$16.79	\$224,250

The following table summarizes securities authorized for issuance under the Company's equity compensation plans as of the Record Date:

	<u>Number of securities to be issued upon exercise of outstanding options, warrants and rights</u>	<u>Weighted- average exercise price of outstanding options, warrants and rights</u>	<u>Number of securities remaining available for future issuance under equity compensation plans</u>
Equity compensation plans approved by security holders			
1999 Stock Incentive Plan (exclusive of proposed amendment)	3,372,759	\$9.97	1,186,922
Equity compensation plans not approved by security holders	—	\$0.00	—
Total	<u>3,372,759</u>		<u>1,186,922</u>

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT THE STOCKHOLDERS OF THE COMPANY VOTE "FOR" THE APPROVAL OF AMENDMENT TO THE 1999 STOCK INCENTIVE PLAN.

PROPOSAL 3—APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Company is asking its stockholders to ratify the Audit Committee's appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ended December 31, 2005. In the event the stockholders fail to ratify the appointment, the Audit Committee will reconsider this appointment but will not be required to select a different independent registered public accounting firm. Even if the appointment is ratified, the Audit Committee, in its discretion, may direct the appointment of a different independent auditing firm at any time during the year if the Audit Committee determines that such a change would be in the Company's and its stockholders' best interests.

Deloitte & Touche LLP served as the Company's independent registered public accounting firm for the Company's last two fiscal years. A representative of Deloitte & Touche LLP has been invited to be present at the Annual Meeting, to make a statement and respond to questions.

Audit Fees

The aggregate fees billed or expected to be billed for the audit of the Company's annual financial statements for the fiscal years ended December 31, 2004 and 2003 and for the reviews of the financial statements included in the Company's Quarterly Reports on Form 10-Q were \$1.8 million and \$0.5 million, respectively. The \$1.8 million of audit fees billed by Deloitte & Touche LLP for 2004 services included approximately \$1.0 million related to the audit of the Company's internal controls over financial reporting under Section 404 of the Sarbanes-Oxley Act of 2002.

Audit-Related, Tax and Other Fees

The aggregate fees of approximately \$0.4 million billed for audit-related services by Deloitte & Touche LLP during 2004 were primarily for due diligence work and other acquisition-related costs.

The aggregate fees billed for tax services by Deloitte & Touche LLP during 2004 were approximately \$0.1 million. These fees related to tax services provided in our previously divested UK-based business unit. No other fees besides the audit and tax fees previously mentioned were billed by Deloitte & Touche LLP in the Company's last two fiscal years.

Pre-Approval Policies and Procedures

It is the Audit Committee's policy to approve in advance the types of audit, audit-related, tax, and any other services to be provided by the Company's independent registered public accounting firm.

The Audit Committee has approved all of the aforementioned independent registered public accounting firm's services and fees for 2004 and 2003 and, in doing so, has considered whether the provision of such services is compatible with maintaining independence.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT THE STOCKHOLDERS OF THE COMPANY VOTE "FOR" THE APPOINTMENT OF DELOITTE & TOUCHE LLP AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR 2005.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

To the Company's knowledge, no transaction described in Item 404 of Regulation S-K has taken place, and no relationship described therein has existed, since the beginning of the Company's 2004 fiscal year.

STOCKHOLDER PROPOSALS FOR 2006 ANNUAL MEETING

Pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended, if a stockholder of the Company wishes to present a proposal for consideration for inclusion in the Proxy Statement for the 2006 Annual Meeting of Stockholders, the proposal must be sent by certified mail-return receipt requested and must be received at the executive offices of the Company at 200 Cottontail Lane, Vantage Court North, Somerset, NJ, 08873, no later than January 8, 2006. All proposals must conform to the rules and regulations of the Securities and Exchange Commission (the "SEC"). Under the Company's by-laws, in order for a proposal to be raised at the 2006 Annual Meeting of Stockholders without any discussion of the matter in the proxy statement, the proposing stockholder must provide notice of such proposal, and specified accompanying information, to the Company no earlier than March 16 and no later than April 15, 2006.

VENTIV HEALTH, INC.
1999 STOCK INCENTIVE PLAN
(As amended June 15, 2005)

1. Purposes.

The purposes of the Ventiv Health, Inc. 1999 Stock Incentive Plan are to promote the long-term growth of Ventiv Health, Inc. and its subsidiaries by rewarding key management employees, consultants and directors of Ventiv Health, Inc. and its subsidiaries with a proprietary interest in Ventiv Health, Inc. for outstanding long-term performance and to attract, motivate and retain highly qualified and capable employees, consultants and directors.

2. Definitions.

Unless the context clearly indicates otherwise, the following terms shall have the following meanings:

2.1 “Award” means an award granted to a Participant under the Plan in the form of an Option, Restricted Stock, Restricted Units, a Stock Appreciation Right, or any combination of the foregoing.

2.2 “Board” means the Board of Directors of the Corporation.

2.3 “Code” means the Internal Revenue Code of 1986, as amended, or any successor law.

2.4 “Commission” means the Securities and Exchange Commission or any successor agency.

2.5 “Compensation Committee” shall mean the Compensation Committee of the Board, which Committee shall consist of at least two (2) members of the Board, each of whom qualifies as both an “outside director” (within the meaning of Section 162(m)(4) of the Code) and a “non-employee director” (within the meaning of Rule 16b-3(b)(3) issued under the Securities Exchange Act of 1934).

2.6 “Consultant” means any person performing consulting or advisory services for the Corporation or any Subsidiary, with or without compensation, including a person or entity providing services pursuant to a management services agreement with the Corporation, to whom the Compensation Committee chooses to grant an Option, Restricted Stock or Stock Appreciation Right in accordance with the Plan, provided that bona fide services must be rendered by such person and such services are not rendered in connection with the sale of securities in a capital raising transaction.

2.7 “Corporation” means Ventiv Health, Inc., a Delaware corporation, or any successor thereto.

2.8 “Director” means for purposes of the grant of Awards under the Plan, a member of the Board of Directors of the Corporation or a Subsidiary.

2.9 “Disability” means total disability as defined in Section 22(e)(3) of the Code.

2.10 “Exchange Act” means the Securities Exchange Act of 1934, as amended.

2.11 “Fair Market Value” means, on any given date, the current fair market value of shares as determined below:

(a) If the Shares are listed upon an established stock exchange or exchanges, “Fair Market Value” means the closing price of such Shares on the New York Stock Exchange, or if the Shares are not traded on the New York Stock Exchange, the exchange that trades the largest volume of Shares on the date of the Award.

(b) If the Shares are traded on the Nasdaq National Market, “Fair Market Value” means the closing price of such Shares reported on the Nasdaq National Market on the date of the Award, provided that if there should be no sales of such Shares reported on such date, the Fair Market Value of such Share on such date shall be deemed equal to the closing price as reported by the Nasdaq National Market for the last preceding date on which sales of such Shares were reported.

(c) In all other cases, “Fair Market Value” shall be determined by the Compensation Committee using any reasonable method in good faith, provided that, with respect to the initial public offering of Shares by the Corporation, “Fair Market Value” means the initial offering price to the public of such Shares.

2.12 “Option” means an option awarded under Section 7 to purchase Shares.

2.13 “Option Exercise Period” means the period from the Option Grant Date to the date on which an Option expires.

2.14 “Option Grant Date” means the date upon which the Compensation Committee grants an Option to an Optionee.

2.15 “Optionee” means an employee, Director or Consultant of the Corporation or any Subsidiary to whom an Option has been granted.

2.16 “Participant” means an employee, Director or Consultant of the Corporation or any Subsidiary to whom an Award has been granted which has not terminated, expired or been fully exercised.

2.17 “Plan” means this Ventiv Health, Inc. 1999 Stock Incentive Plan, as it may be amended and restated from time to time.

2.18 “Restricted Period” means the period of time, which may be a single period or multiple periods, during which Restricted Stock or Restricted Units awarded to a Participant remains subject to the Restrictions imposed on such Shares or Restricted Units, as determined by the Compensation Committee.

2.19 “Restricted Stock” means an award of Shares on which are imposed Restricted Periods and Restrictions which subject the Shares to a “substantial risk of forfeiture” as defined in Section 83 of the Code.

2.20 “Restricted Stock Agreement” means a written agreement between a Participant and the Corporation evidencing an award of Restricted Stock.

2.21 “Restricted Stock Award Date” means the date on which the Compensation Committee awards Restricted Shares to the Participant.

2.22 “Restricted Units” means units awarded pursuant to Section 9 that entitle a Participant to receive, in the future, either a Share or the Fair Market Value thereof.

2.23 “Restricted Unit Agreement” means a written agreement between a Participant and the Corporation evidencing an award of Restricted Units.

2.24 “Restrictions” means the restrictions and conditions imposed on Restricted Stock or Restricted Units awarded to a Participant, as determined by the Compensation Committee, which must be satisfied in order for the Restricted Stock or Restricted Units award to vest, in whole or in part, in the Participant.

2.25 “Shares” means shares of Ventiv Stock.

2.26 “Stock Appreciation Right” means a right to receive the spread or difference between the Fair Market Value of Shares subject to an Option and the corresponding Option exercise price, either in stock or in cash, or in a combination thereof.

2.27 “Stock Appreciation Rights Agreement” means a written agreement between a Participant and the Corporation evidencing an award of Stock Appreciation Rights.

2.28 “Stock Option Agreement” means a written agreement between a Participant and the Corporation evidencing an award of an Option.

2.29 “Subsidiary” means any domestic or foreign corporation or entity of which the Corporation owns, directly or indirectly, at least 50% of the total combined voting power of such corporation or other entity.

2.30 “Ventiv Stock” means shares of common stock, par value \$0.001 per share, of the Corporation.

2.31 “Voting Stock” means all capital stock of the Corporation which by its terms is entitled under ordinary circumstances to vote in the election of directors.

3. Administration of the Plan.

3.1 Administrator of Plan. The Plan shall be administered by the Compensation Committee of the Board.

3.2 Authority of Compensation Committee. The Compensation Committee shall have full power and authority to:

(i) designate the Participants to whom Options, Restricted Stock, Restricted Units, or Stock Appreciation Rights may be awarded from time to time;

(ii) determine the type of Award to be granted to each Participant under the Plan and the number and class of Shares subject thereto;

(iii) determine the duration of the Restricted Period and the Restrictions to be imposed with respect to each Award;

(iv) interpret and construe the Plan and adopt such rules and regulations as it shall deem necessary and advisable to implement and administer the Plan;

(v) approve the form and terms and conditions of the Restricted Stock Agreement, Restricted Unit Agreement, Stock Option Agreement, or Stock Appreciation Rights Agreement, as the case may be, between the Corporation and the Participant; and

(vi) designate persons other than members of the Compensation Committee to grant Awards consisting of Options and Stock Appreciation Rights, to persons below the rank of Senior Vice President.

The foregoing determinations shall be made in accordance with the Compensation Committee’s best business judgment as to the best interests of the Corporation and its stockholders and in accordance with the purposes of the Plan.

3.3 Determinations of Compensation Committee. A majority of the Compensation Committee shall constitute a quorum at any meeting of the Compensation Committee, and all determinations of the Compensation Committee shall be made by a majority of its members. Any action which the Compensation Committee shall take through a written instrument signed by all of its members shall be as effective as though it had been taken at a meeting duly called and held. The Compensation Committee shall report all actions taken by it to the Board.

3.4 Delegation. The Compensation Committee may delegate such non- discretionary administrative duties under the Plan to one or more agents as it shall deem necessary and advisable.

3.5 Effect of Compensation Committee Determinations. No members of the Compensation Committee or the Board shall be personally liable for any action or determination made in good faith with respect to the Plan, any Award or any settlement of any dispute between a Participant and the Corporation. Any decision made or action taken by the Compensation Committee or the Board with respect to an Award or the administration or interpretation of the Plan shall be conclusive and binding upon all persons.

4. Awards Under the Plan.

Awards to a Participant under the Plan may be in the form of an Option, Restricted Stock, Restricted Units, Stock Appreciation Right, or a combination thereof, at the discretion of the Compensation Committee.

5. Eligibility

The Participants in the Plan shall be the officers, key employees, Directors and Consultants of the Corporation and its Subsidiaries designated by the Compensation Committee. A Participant who has been granted an Award under the Plan may be granted additional Awards under the Plan under such circumstances, and at such times, as the Compensation Committee may determine.

6. Shares Subject to Plan.

Subject to adjustment as provided in Section 16 hereof, the aggregate number of Shares which may be issued upon the exercise of Options or Stock Appreciation Rights and the award of Restricted Stock under the Plan shall not exceed 9,800,000 shares of Ventiv Stock. Subject to adjustment as provided in Section 16 hereof, the aggregate number of Shares which may be issued upon the exercise of Options or Stock Appreciation Rights and the Awards of Restricted Stock or Restricted Units under this Plan to any one Participant during any calendar year shall not exceed 1,000,000 Shares of Ventiv Stock. If all or any portion of any outstanding Award under the Plan for any reason expires or is terminated, the Shares allocable to the unexercised or forfeited portion of such Award may again be subject to an Award under the Plan. The preceding sentence shall apply only for purposes of determining the aggregate number of Shares of Ventiv Stock which may be issued upon the exercise of Options or Stock Appreciate Rights and the Award of Restricted Stock and Restricted Units but shall not apply for purposes of determining the aggregate number of Shares which may be issued upon the exercise of Options or Stock Appreciation Rights and the Award of Restricted Stock or Restricted Units under this Plan to any one Participant during any calendar year.

7. Options.

7.1 Terms of Options. Options granted under the Plan shall be subject to the following terms and conditions:

(a) Option Price. The option price per Share under each Option (the "Option Price") may not be less than 100% of the Fair Market Value of a Share on the Option Grant Date. In no event shall the Option Price be less than the par value of such Share on the Option Grant Date.

(b) Vesting of Options. Except as provided in this Section 7.1 hereof, Options shall vest in accordance with the terms provided by the Compensation Committee in the Stock Option Agreement. The Compensation Committee may accelerate the vesting of any Option in its discretion.

(c) Exercise of Options. Each Option shall be exercisable on the dates and for the number of Shares as shall be provided in the related Stock Option Agreement, provided that (i) unless provided otherwise in the Stock Option Agreement, an Option shall not be exercisable earlier than six (6) months after the Option Grant Date, and (ii) in no event shall the Option Exercise Period exceed ten (10) years from the Option Grant Date.

Options may be exercised (in full or in part) only by written notice delivered to the Corporation at its principal executive office, accompanied by payment of the Option Price for the Shares as to which such

Option is exercised. The Option Price of each Share as to which an Option is exercised shall be paid in full at the time of exercise (i) in cash, (ii) with Shares owned by the Participant, (iii) by delivery to the Corporation of (x) irrevocable instructions to deliver directly to a broker the stock certificates representing the Shares for which the Option is being exercised, and (y) irrevocable instructions to such broker to sell such Shares and promptly deliver to the Corporation the portion of the proceeds equal to the Option Price and any amount necessary to satisfy the Corporation's obligation for withholding taxes, or (iv) any combination thereof. For purposes of making payment in Shares, such Shares shall be valued at their Fair Market Value on the date of exercise of the Option and shall have been held by the Participant for at least six (6) months.

(d) Termination of Employment or Service of Optionee. The Compensation Committee shall have authority to determine the circumstances under which an Option will vest upon termination of the employment or service of the Optionee for any reason. Unless otherwise determined by the Compensation Committee, the Compensation Committee shall provide that vesting of the Option shall cease on the date of termination of employment or service and the Option shall terminate on the date which is three (3) months after the date on which the Optionee terminates employment or service. In the event an Optionee terminates employment or service by reason of the Optionee's death or Disability, the Option shall terminate one (1) year after the date on which the Optionee terminates employment or service as a result of death or Disability. In any event, each Option shall terminate no later than ten (10) years after the Option Grant Date. Such provisions shall be contained in the Stock Option Agreement given to each Optionee.

(e) Rights as a Stockholder. An Optionee or a transferee of an Option shall have no rights as a stockholder with respect to any Shares covered by any Option until the date of the issuance of a stock certificate to such person evidencing such Shares. No adjustment shall be made for dividends (ordinary or extraordinary, whether in cash, securities or other property) or distributions or other rights for which the record date is prior to the date such stock certificate is issued, except as provided in Section 16 hereof.

(f) Investment Purpose. The Corporation shall not be obligated to sell or issue any Shares pursuant to any Option unless the Shares with respect to which the Option is being exercised are at that time registered or exempt from registration under the Securities Act of 1933, as amended.

(g) Assumption of Options. The Corporation may issue or assume under the Plan any stock option previously granted by the Corporation or in connection with any transaction or transactions upon such terms and conditions and, in the case of any option so assumed, with such modifications or adjustments therein, as shall be determined by the Compensation Committee. Any such option so issued or assumed shall be deemed to be an Option granted under this Plan, notwithstanding that any provision of this Plan would not, except for this Section 7, permit the grant of an option having the terms and conditions, including the option price, of such option as so issued or assumed.

(h) Forfeiture of Options for Misconduct. If the Compensation Committee determines an Optionee has committed an act of embezzlement, fraud, dishonesty, nonpayment of any obligation owed to the Corporation, breach of fiduciary duty or deliberate disregard of Corporation policy resulting in loss, damage, or injury to the Corporation, or if an Optionee makes any unauthorized disclosure of any trade secret or confidential information, breaches any written agreement with the Corporation, engages in any conduct constituting unfair competition, induces any customer to breach a contract with the Corporation, or solicits or attempts to solicit any employee of the Corporation to terminate employment with the Corporation, neither the Optionee nor the Optionee's estate shall be entitled to exercise any Option whatsoever. In making such determination, the Compensation Committee shall act fairly and shall give the Optionee an opportunity to appear and present evidence on his or her behalf at a hearing before the Compensation Committee.

(i) Transferability of Options. Section 12 hereof to the contrary notwithstanding, if the Compensation Committee so provides in the Stock Option Agreement, an Option may be transferred by an Optionee to the Optionee's children, grandchildren, spouse, one or more trusts for the benefit of such family members or a partnership in which such family members are the only partners; provided, however, that Optionee may not

receive any consideration for the transfer. The holder of an Option transferred pursuant to this section shall be bound by the same terms and conditions that governed the Option during the period that it was held by the Participant. In the event of any such transfer, the Option and any Stock Appreciation Rights that relate to such Option must be transferred to the same person or persons or entity or entities.

8. Restricted Stock.

8.1 Terms of Restricted Stock Awards. Subject to and consistent with the provisions of the Plan, with respect to each Award of Restricted Stock to a Participant, the Compensation Committee shall determine:

(a) the terms and conditions of the Restricted Stock Agreement between the Corporation and the Participant evidencing the Award;

(b) the Restricted Period for all or a portion of the Award;

(c) the Restrictions applicable to the Award, including, but not limited to, continuous employment with the Corporation or any of its Subsidiaries for a specified term or the attainment of specific corporate, divisional or individual performance standards or goals, which Restricted Period and Restrictions may differ with respect to each Participant;

(d) whether the Participant shall receive the dividends and other distributions paid with respect to an Award of Restricted Stock as declared and paid to the holders of the Shares during the Restricted Period or shall be withheld by the Corporation for the account of the Participant until the Restricted Periods have expired or the Restrictions have been satisfied, and whether interest shall be paid on such dividends and other distributions withheld, and if so, the rate of interest to be paid, or whether such dividends may be reinvested in Shares; or

(e) the percentage of the Award which shall vest in the Participant in the event of such Participant's death or Disability prior to the expiration of the Restricted Period or the satisfaction of the Restrictions applicable to an award of Restricted Stock.

8.2 Delivery of Shares. Upon an Award of Restricted Stock to a Participant, the stock certificate representing the Restricted Stock shall be issued and transferred to and in the name of the Participant, whereupon the Participant shall become a stockholder of the Corporation with respect to such Restricted Stock and shall be entitled to vote the Shares. Such stock certificate shall be held in custody by the Corporation, together with stock powers executed by the Participant in favor of the Corporation, until the Restricted Period expires and the Restrictions imposed on the Restricted Stock are satisfied.

9. Restricted Units.

9.1 Terms of Restricted Unit Awards. Subject to and consistent with the provisions of the Plan, with respect to each Award of Restricted Units to a Participant, the Compensation Committee shall determine:

(a) the terms and conditions of the Restricted Unit Agreement between the Corporation and the Participant evidencing the Award;

(b) the Restricted Period for all or a portion of the Award;

(c) the Restrictions applicable to the Award, including, but not limited to, continuous employment with the Corporation or any of its Subsidiaries for a specified term or the attainment of specific corporate, divisional or individual performance standards or goals, which Restricted Period and Restrictions may differ with respect to each Participant;

(d) whether the Participant shall receive the dividends and other distributions paid with respect to an Award of Restricted Units as declared and paid to the holders of the Shares during the Restricted Period or whether such dividends shall be withheld by the Corporation for the account of the Participant until the Restricted Periods have expired or the Restrictions have been satisfied, and whether interest shall be paid on such dividends and other distributions withheld, and if so, the rate of interest to be paid, or whether such dividends may be reinvested in Shares; or

(e) the percentage of the Award which shall vest in the Participant in the event of such Participant's death or Disability or other termination of employment prior to the expiration of the Restricted Period or the satisfaction of the Restrictions applicable to an award of Restricted Stock.

9.2 Payment with Respect to Restricted Units. On the date that the Restricted Period expires and the Restrictions imposed on any Restricted Units are satisfied (the "Vesting Date"), a Participant shall be entitled to receive, at the option of the Corporation, with respect to each such Restricted Unit, either (i) a Share or (ii) a cash payment equal to the Fair Market Value of a Share on such date. Notwithstanding the preceding sentence, a Participant shall be entitled to elect, no later than one year prior to the Vesting Date, to defer delivery of the Shares or cash that would otherwise be payable on the Vesting Date until a date at least one year after the Vesting Date (the "Deferral Date"). If such election shall be made in accordance with procedures established by the Committee, the Participant shall receive on the Deferral Date for each such Restricted Unit (x) either a Share or a cash payment equal to the Fair Market Value of a Share on the Deferral Date, and (y) a payment in cash or Shares equal to the amount of any dividends payable with respect to a Share during the period from the Vesting Date through the Deferral Date, as set forth in such Participant's Restricted Unit Agreement.

Unless otherwise provided in a Participant's Restricted Unit Agreement, if a Participant ceases to be an employee, Director or Consultant of the Company and its Subsidiaries for any reason other than misconduct specified in Section 7.1(h), at any time on or after the Vesting Date but prior to the Deferral Date, such Participant shall receive payment in respect of such Participant's Restricted Units on such accelerated basis as shall be determined by the Committee.

10. Performance-Based Awards of Restricted Stock or Restricted Units.

Certain Awards of Restricted Stock granted under the Plan may be granted in a manner that the Awards qualify for the performance-base compensation exemption of Section 162(m) of the Code ("Performance-Based Awards"). As determined by the Compensation Committee in its sole discretion, either the granting or vesting of such Performance-Based Awards shall be based on achievement of hurdle rates and/or growth rates in one or more business criteria that apply to the individual participant or one or more business units or the Corporation as a whole. The business criteria shall be as follows, individually or in combination: (i) net earnings; (ii) earnings per share; (iii) net sales growth; (iv) market share; (v) net operating profit; (vi) expense targets; (vii) working capital targets relating to accounts receivable; (viii) operating margin; (ix) return on equity; (x) return on assets; (xi) planning accuracy (as measured by comparing planned results to actual results); (xii) market price per share; and (xiii) total return to stockholders. In addition, Performance-Based Awards may include comparisons to the performance of other companies, such performance to be measured by one or more of the foregoing business criteria. With respect to Performance-Based Awards, (i) the Compensation Committee shall establish in writing (x) the performance goals applicable to a given period, and such performance goals shall state, in terms of an objective formula or standard, the method for computing the amount of compensation payable to the Participant if such performance goals are obtained and (y) the individual employees or class of employees to which such performance goals apply no later than 90 days after the commencement of such period (but in no event after 25% of such period has elapsed) and (ii) no Performance-Based Awards shall be payable to or vest with respect to, as the case may be, any Participant for a given period until the Compensation Committee certifies in writing that the objective performance goals (and any other material terms) applicable to such period have been satisfied. With respect to Awards intended to qualify as Performance-Based Awards, after establishment of a performance goal, the Compensation Committee shall not revise such performance goal or increase the amount of compensation payable thereunder (as determined in accordance with Section 162(m) of the Code) upon the attainment of such performance goal. Notwithstanding the preceding sentence, the Compensation Committee may reduce or eliminate the number of Shares or Restricted Units granted or the number of Shares or Restricted Units vested upon the attainment of such performance goal.

11. Stock Appreciation Rights.

11.1 Grants of Stock Appreciation Rights. Stock Appreciation Rights (“SARs”) may be granted in conjunction with all or a part of any Option granted under the Plan, either at the time of the grant of such Option or at any subsequent time prior to the expiration of such Option; provided, however, that SARs shall not be offered or granted in connection with a prior Option without the consent of the holder of such Option. SARs may not be exercised by an Optionee who is a director or officer (within the meaning of Rule 16a-1(f) under the Exchange Act) of the Corporation within six (6) months after the SAR is granted, except that this limitation shall not be applicable in the event of the death or Disability of such Optionee occurring prior to the expiration of such six-month period.

11.2 Terms of Stock Appreciation Rights. All SARs shall be subject to the following terms and conditions:

(a) SARs shall be exercisable only at such time and to the extent that the Option to which they relate (the “Related Option”) shall be exercisable.

(b) Upon exercise of a SAR, the Optionee shall be entitled to the difference between the Fair Market Value of one Share and the Option Price of one Share specified in the Related Option times the number of Shares in respect of which the SARs shall have been exercised (“the Economic Value”). An Optionee, upon the exercise of SARs, shall receive the Economic Value thereof, and the Compensation Committee in its sole discretion shall determine the form in which payment of such Economic Value will be made, whether in cash, Shares or any combination thereof. For purposes of this Section 11.2(b), the Fair Market Value of the Shares shall be determined as of the date of exercise of the SAR.

(c) An SAR may be exercised without exercising the Related Option, but the Related Option shall be canceled for all purposes under the Plan to the extent of the SAR exercise. A Related Option may be exercised without exercising the SAR, but the SAR shall be canceled for all purposes under the Plan to the extent of the Related Option Exercise.

12. Non-Transferability of Awards.

Except as may be provided by the Committee in accordance with Section 7.1(j) hereof, Awards granted under the Plan shall not be transferable by the Participant during the Participant’s lifetime and may not be assigned, exchanged, pledged, transferred or otherwise encumbered or disposed of except by will or by the applicable laws of descent and distribution. Except as may be provided by the Compensation Committee in accordance with Section 7.1(j) hereof, Options and Stock Appreciation Rights shall be exercisable during the Participant’s lifetime only by the Participant or by the Participant’s guardian or legal representative.

13. Withholding of Taxes.

Federal, state or local law may require the withholding of taxes applicable to income resulting from an Award. A Participant shall be required to make appropriate arrangements with the Corporation or Subsidiary, as the case may be, for satisfaction of any federal, state or local taxes the Corporation or Subsidiary is required to withhold. The Compensation Committee may, in its discretion and subject to such rules as it may adopt, permit the Participant to pay all or a portion of the federal, state or local withholding taxes arising in connection with an Award by electing to (i) have the Corporation withhold Shares, (ii) tender back Shares received in connection with such Award or (iii) deliver other previously owned Shares, under each election such Shares having a Fair Market Value on the date specified in the rules adopted by the Committee equal to the amount to be withheld. The Corporation shall be under no obligation to issue Shares to the Participant unless the Participant has made the necessary arrangements for payment of the applicable withholding taxes.

14. No Right to Continued Employment.

Neither the establishment of the Plan nor the granting of an Award shall confer upon any Participant any right to continue in the employ of the Corporation or any of its Subsidiaries or interfere in any way with the right

of the Corporation or any of its Subsidiaries to terminate such employment at any time. No Award shall be deemed to be salary or compensation for the purpose of computing benefits under any employee benefit, pension or retirement plans of the Corporation or any of its Subsidiaries, unless the Compensation Committee shall determine otherwise.

15. Amendment and Termination of Plan.

The Board may amend the Plan from time to time. The Corporation shall obtain shareholder approval of any Plan amendment to the extent necessary or desirable to comply with applicable laws, regulations and rules of self-regulatory organizations. Unless sooner terminated as provided herein, the Plan shall terminate on the tenth anniversary of its original effective date. The Board may terminate this Plan at any time it deems advisable, except that Options, Restricted Stock and Stock Appreciation Rights granted under the Plan before its termination shall continue to be administered under the Plan until such Options and Stock Appreciation Rights are canceled, terminated, or are exercised and the Restricted Stock is canceled, vested or is forfeited.

16. Changes in Capitalization.

Subject to any required action by the stockholders, the number of Shares covered by each outstanding Award and the exercise price per each such Share subject to an Option or Stock Appreciation Right shall be proportionately adjusted for any increase or decrease in the number of issued Shares of the Corporation resulting from a subdivision or consolidation of Shares or the payment of a stock dividend (but only on the Shares) or any other increase or decrease in the number of such Shares effected without receipt of consideration by the Corporation.

If the Corporation merges or is consolidated with another corporation, whether or not the Corporation is a surviving corporation, or if the Corporation is liquidated or sells or otherwise disposes of substantially all of its assets while unexercised Options remain outstanding under the Plan, (i) after the effective date of the merger, consolidation, liquidation, sale or other disposition, as the case may be, each holder of an outstanding Option shall be entitled, upon exercise of that Option, to receive, in lieu of Shares, the number and class or classes of shares of stock or other securities or property to which the holder would have been entitled if, immediately prior to the merger, consolidation, liquidation, sale or other disposition, the holder had been the holder of record of a number of Shares equal to the number of Shares as to which that Option may be exercised; or (ii) if Options have not already become exercisable, the Compensation Committee may accelerate the exercise so that all Options, from and after a date prior to the effective date of that merger, consolidation, liquidation, sale or other disposition, as the case may be, specified by the Compensation Committee, shall be exercisable in full.

If the Corporation is merged into or consolidated with another corporation under circumstances where the Corporation is not the surviving corporation (other than circumstances involving a mere change in the identity, form or place of organization of the Corporation), or if the Corporation is liquidated or dissolved, or sells or otherwise disposes of substantially all of its assets to another entity while unexercised Options remain outstanding under the Plan, unless provisions are made in connection with the transaction for the continuance of the Plan and/or the assumption or substitution of Options with new options covering the stock of the successor corporation, or the parent or subsidiary thereof, with appropriate adjustments as to the number and kind of shares and exercise prices, then all outstanding Options shall be canceled as of the effective date of such merger, consolidation, liquidation, dissolution, or sale.

In the event of a change of all of the Corporation's authorized Shares with par value into the same number of Shares with a different par value or without par value, the Shares resulting from any such change shall be deemed to be the Shares within the meaning of the Plan.

To the extent that the foregoing adjustments relate to stock or securities of the Corporation, such adjustments shall be made by the Compensation Committee, whose determination in that respect shall be final, binding and conclusive.

Except as hereinbefore expressly provided in this Section 16, the Participant shall have no rights (i) by reason of any subdivision or consolidation of shares of stock of any class, the payment of any stock dividend or any other increase or decrease in the number of shares of stock of any class, or (ii) by reason of any dissolution, liquidation, merger, or consolidation, spin-off of assets or stock of another corporation, or any issue by the Corporation of shares of stock of any class, nor shall any of these actions affect, or cause an adjustment to be made with respect to, the number or price of Shares subject to any Option.

The grant of any Award pursuant to the Plan shall not affect in any way the right or power of the Corporation (i) to make adjustments, reclassifications, reorganizations or changes of its capital or business structure, (ii) to merge or consolidate, (iii) to dissolve, liquidate, or sell or transfer all or any part of its business or assets or (iv) to issue any bonds, debentures, preferred or other preference stock ahead of or affecting the Shares. If any action described in the preceding sentence results in a fractional Share for any Participant under any Award hereunder, such fraction shall be completely disregarded and the Participant shall only be entitled to the whole number of Shares resulting from such adjustment.

17. Governing Law.

The Plan and each Stock Option Agreement, Restricted Stock Agreement, Restricted Unit Agreement and Stock Appreciation Rights Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware.

18. Effective Date of Amended Plan.

The 2005 amendment to the Plan shall be subject to approval by the shareholders of the Corporation at the Corporation's 2005 Annual Meeting of Stockholders. In the event such stockholder approval is not received, the Plan as originally enacted shall remain in full force and effect.

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