

**HCA HOLDINGS, INC.**

**CHARTER OF THE AUDIT AND COMPLIANCE COMMITTEE**

**PURPOSE**

The primary purposes of the Audit and Compliance Committee (the “Committee”) are to:

- assist the Board of Directors (the “Board”) in fulfilling its responsibility to oversee the integrity of the Company’s financial statements, the Company’s compliance with legal and regulatory requirements, the independent auditor’s qualifications and independence, and the performance of the Company’s internal audit function and independent auditor. The Committee shall provide a forum for communication among the independent auditor, management, the internal auditing department, and the Board. The Committee shall make regular reports to the Board regarding these responsibilities (the “Audit Related Duties”) and, to the extent from time to time required by applicable rules and regulations, the Committee shall prepare the report required by the rules and regulations of the Securities and Exchange Commission (“SEC Rules”) to be included in the Company’s annual report on Form 10-K or proxy or information statement.
- assist the Board in fulfilling its duties and oversight responsibilities relating to the Company’s compliance with applicable laws and regulations, the Company Code of Conduct, and related Company policies and procedures, including the Corporate Ethics and Compliance Program. The Committee shall maintain communication between the Board and the senior officer with management responsibility for the Company’s Ethics and Compliance Department (the “Chief Ethics and Compliance Officer”). The Committee shall review matters concerning or relating to the Code of Conduct, the Corporate Ethics and Compliance Program and compliance with the requirements of Federal health care programs. The Committee shall make regular reports to the Board of Directors regarding these responsibilities (the “Ethics and Compliance Related Duties”).

In discharging its duties and responsibilities, the Committee is authorized to investigate any matter within the scope of its duties and responsibilities or as otherwise delegated by the Board, with full access to all books, records, facilities and personnel of the Company.

**MEMBERSHIP**

The Committee shall be comprised of not less than three members of the Board (or at least one member for the first 90 days following the Company’s listing on the New York Stock Exchange (the “NYSE”) and, following such time, at least two members for the twelve months following the Company’s listing on the NYSE). Each Committee member shall meet the independence requirements of the NYSE and Section 10A(m)(3) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

The Board will appoint annually the members of the Committee and shall determine whether the Committee has an “audit committee financial expert” as defined by SEC Rules and whether such expert is “independent” from management as defined in the applicable SEC Rules. If the Board elects not to designate at least one Committee member as an audit committee financial expert, its reasoning shall be disclosed in the annual proxy or information statement or Form 10-K or as otherwise required by the NYSE rules. Each member shall be financially literate as determined by the Board in its business judgment and one member must have accounting or related financial management expertise as determined by the Board in its business judgment. A Committee member other than in his or her capacity as a Committee member, Board member or member of any other Board committee shall not accept directly or indirectly any consulting, advisory or other compensatory fee from the Company or be an “affiliated person” of the Company or any subsidiary thereof in violation of NYSE or SEC Rules. If a Committee member simultaneously serves on the audit committee of more than three public companies, the Board shall determine that such simultaneous service will not impair the ability of such member to serve effectively on the Committee and disclose such determination in the Company’s annual proxy statement, information statement or Form 10-K, on the Company’s website or such other manner as permitted by the NYSE rules.

The members of the Committee may be removed, with or without cause, by a majority vote of the Board of Directors.

## **MEETINGS AND PROCEDURES**

The Committee shall meet as often as it determines, but not less frequently than quarterly. At all duly called meetings of the Committee, a majority of the total number of Committee members shall constitute a quorum for the transaction of business. If a quorum shall not be present at any meeting of the Committee, the Committee members present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

The Committee shall meet not less frequently than four times annually with management, the internal auditors and the independent auditor in separate executive sessions. The Committee may request any officer or employee of the Company or the Company’s outside counsel or independent auditor, or any other persons whose presence the Committee believes to be necessary or appropriate, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee.

The Committee may retain any independent counsel, experts or advisors (accounting, financial or otherwise) that the Committee believes to be necessary or appropriate. The Committee may also utilize the services of the Company’s regular counsel or other advisors to the Company. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to the independent auditor for the purpose of rendering or issuing an audit report, or performing other audit, review

or attest services for the Company; compensation to any advisors employed by the Committee; and ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

## **DUTIES AND RESPONSIBILITIES**

While the Committee has the duties and responsibilities set forth in this Charter, it is not the duty or responsibility of the Committee to prepare the Company's financial statements or to plan or conduct audits of those financial statements. These are the responsibilities of management and the independent auditor. Additionally, the Committee recognizes that the Company's financial management, including the internal audit department, as well as its independent auditor, have more knowledge and more detailed information regarding the Company and its financial reports than do Committee members; consequently, in carrying out its duties and responsibilities, the Committee, including any person designated as an audit committee financial expert, is not providing any expert or special assurance as to accuracy or completeness of the Company's financial statements or any professional certification as to the independent auditor's work, and is not conducting an audit or investigation of the financial statements nor determining that the financial statements are true and complete or have been prepared in accordance with generally accepted accounting principles ("GAAP") and applicable SEC Rules.

The following shall be the common recurring activities of the Committee in carrying out its duties and responsibilities. These functions are set forth with the understanding that the Committee may engage in additional activities as appropriate given the circumstances.

### **Audit Related Duties:**

- The Committee shall have the sole authority to appoint or replace the independent auditor. The Committee shall be directly responsible for the engagement, termination, compensation and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work or performing other audit, review or attest services for the Company. The Committee shall meet with the independent auditor prior to the audit to discuss the planning and staffing of the audit. The independent auditor shall report directly to the Committee.
- The Committee shall pre-approve all auditing services, internal control related services and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by its independent auditor, subject to the de minimus exceptions for non-audit services in accordance with Section 10A(i)(1)(B) of the Exchange Act which are approved by the Committee prior to the completion of the audit and may establish policies and procedures for the engagement of the auditor to provide such services. Approval by the Committee of a non-audit service shall be

disclosed in the reports filed by the Company with the SEC or otherwise as required by law and SEC Rules. Committee pre-approval of audit and non-audit services will not be required if the engagement for the services is entered into pursuant to pre-approval policies and procedures established by the Committee regarding the Company's engagement of the independent auditor, provided the policies and procedures are detailed as to the particular services, the Committee is informed of each service provided and such policies and procedures do not include delegation of the Committee's responsibilities under the Exchange Act to the Company's management. The Committee may form and delegate authority to the Chair of the Committee or subcommittees, to the extent permitted by applicable law and the NYSE, consisting of one or more members when appropriate, including the authority to grant pre-approvals of audit and permitted non-audit services, provided that decisions of such subcommittee to grant pre-approvals shall be presented to the full Committee at its next scheduled meeting.

- The Committee shall review and discuss with management and the independent auditor the annual audited and quarterly unaudited financial statements, the Company's disclosures relating to internal controls over financial reporting and the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" provided on Form 10-Q and Form 10-K. The Committee shall review and discuss with management and the independent auditor material related party transactions as defined by Accounting Standards Codification No. 850 and other accounting and regulatory pronouncements. The Committee also shall review and discuss with the independent auditor the matters required to be discussed by Statement of Auditing Standards No. 61, as amended (AICPA, *Professional Standards*, Vol. 1. AU section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T, as may be modified or supplemented. Based on such review and discussion, and based on the disclosures received from, and discussions with, the independent auditor regarding its independence as provided for below, the Committee shall consider whether to recommend to the Board that the audited financial statements be included in the Company's Annual Report on Form 10-K.
- The Committee shall review and discuss with the independent auditor prior to the filing of the Annual Report on Form 10-K the report that such auditor is required to make to the Committee regarding: (A) all accounting policies and practices to be used that the independent auditor identifies as critical; (B) all alternative treatments within GAAP for policies and practices related to material items that have been discussed among management and the independent auditor, including the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor; and (C) all other material written communications between the independent auditor and management of the Company, such as any management letter, management representation letter, reports on observations and recommendations on internal controls, independent auditor's engagement letter, independent auditor's independence letter and schedule of unadjusted audit differences, if any.

- The Committee shall discuss with management and the independent auditor: (A) any significant questions, comments or suggestions the auditor may have regarding accounting principles and financial statement presentations and judgments, including any significant changes in the Company's selection or application of accounting principles or practices used in preparing the Company's financial statements, any material issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies; and (B) analyses prepared by management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements. The Committee shall discuss with management and the independent auditor the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the Company's financial statements.
- The Committee shall discuss earnings press releases, including the use (generally) of "pro forma" or "adjusted" non-GAAP information. The Committee shall also discuss generally the financial information and earnings guidance which has been or will be provided to analysts and rating agencies.
- The Committee shall discuss with management, the senior internal audit executive officer and the independent auditor the Company's contingent liabilities and major financial and enterprise risk exposures (including the steps management has taken to monitor and control such exposures) and its policies with respect to risk assessment and risk management. The Committee shall review the internal audit plan and functions at least annually and ensure that the plan maintains flexibility needed to support special requests, including consulting services, from management and the Committee. The Committee shall review with the independent auditor the responsibilities, budget and staffing of the Company's internal audit functions as well as procedures for implementing recommendations made by the independent auditor, and any significant matters contained in reports from the Company's internal audit department. The Committee shall review a summary of significant management reports prepared by the internal audit department and management's responses. The Senior Internal Audit Executive Officer and the Chief Ethics and Compliance Officer shall report directly to the Chair of the Committee and to the Chief Executive Officer. The Committee shall review the responsibilities of, and shall be consulted regarding hiring and termination decisions relating to, the senior internal audit executive officer and the Chief Ethics and Compliance Officer.
- The Committee shall regularly review with the independent auditor any difficulties the independent auditor encountered during the course of the audit work, including any restrictions on the scope of activities or access to requested information or any significant disagreements with management and management's responses to such matters. In this connection, among the items that the Committee may review with the independent auditor are: (A) any accounting adjustments that were noted or proposed by the auditor but were "passed" (as immaterial or otherwise); (B) any communications between the audit team and the independent auditor's national office

respecting auditing or accounting issues presented by the engagement; and (C) any “management” or “internal control” letter issued, or proposed to be issued, by the independent auditor to the Company.

- The Committee shall:
  - evaluate the independent auditor’s qualifications, performance and independence, including the review and evaluation of the lead partner of the audit engagement team, taking into account the opinions of management and the Company’s internal audit executive officer, and present its conclusions to the Board;
  - ensure the rotation of the lead audit partner of the independent auditor and audit engagement team partners as required by NYSE and SEC Rules and consider whether there should be regular rotation of the audit firm itself;
  - establish clear hiring policies for employees or former employees of the independent auditor;
  - obtain and review, at least annually, a report by the independent auditor describing the auditing firm’s internal quality control procedures and any material issues raised by its most recent internal quality control review or peer review, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the auditing firm and any steps taken to deal with any such issues;
  - receive from the independent auditor before entering into an initial engagement and annually thereafter a formal written statement delineating all relationships between the independent auditor and the Company consistent with the Public Company Accounting Oversight Board’s applicable requirements, as may be modified or supplemented by such other standards as may be set by law or regulation or NYSE Rules or the Public Company Accounting Oversight Board; and
  - discuss with the independent auditor in an active dialogue any such disclosed relationships or services and their impact on the independent auditor’s objectivity and independence and present to the Board its conclusion with respect to the independence of the independent auditor.
- The Committee shall receive reports from the principal executive and financial officers of the Company regarding their evaluation of the effectiveness of the Company’s disclosure controls and procedures and the Company’s internal control over financial reporting; regarding all significant deficiencies in the design or operation of internal control over financial reporting which could adversely affect the Company’s ability to record, process, summarize and report financial data and whether they have identified for the independent auditor any material weaknesses in internal controls; regarding any fraud, whether or not material, that involves

management or other employees who have a significant role in the Company's internal control over financial reporting; and regarding whether there were significant changes in internal control over financial reporting or in other factors that could significantly affect internal control over financial reporting subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

- The Committee shall establish procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls, or auditing matters and for the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
- The Committee shall discuss with the Company's General Counsel any legal or regulatory matters that could reasonably be expected to have a material impact on the Company's business or financial statements.

*Ethics and Compliance Related Duties:*

- The Committee shall meet periodically with the Chief Ethics and Compliance Officer for a report on the Company's ethics and compliance programs, including a review of any issues that may affect in any material way the financial reporting process, the financial or enterprise risks of the Company and internal control systems of the Company.
- The Committee shall also:
  - Review the annual plans for the Corporate Ethics and Compliance Program.
  - Review the work of the Chief Ethics and Compliance Officer and other appropriate Company departments to develop standards of conduct and policies and procedures to promote compliance with the Corporate Ethics and Compliance Program.
  - Review, in conjunction with the relevant Company departments and the Chief Ethics and Compliance Officer, the development of internal systems and controls to carry out the Company's standards, policies and procedures relating to ethics, regulatory and corporate (including legal) compliance.
  - Serve as a channel of communication between any ethics, regulatory and/or corporate compliance consultant and the Board, and between the Chief Ethics and Compliance Officer and the Board.
  - Review, as appropriate, information relating to the performance of the Ethics and Compliance Programs.

- Consider, in consultation with the Company's external auditor, the Company's and/or the Board's regulatory and/or corporate compliance consultant, the senior internal audit executive officer, and the Chief Ethics and Compliance Officer, the adequacy and effectiveness of the Company's internal ethics, regulatory or corporate compliance programs, policies and controls, including through review of reports from the Chief Ethics and Compliance Officer, legal counsel and others as determined by the Committee.
- Take such other actions and perform such services as may be referred to it from time to time by the Board.
- The Committee may conduct special reviews or investigations as it may deem necessary or appropriate to fulfill its responsibilities.

The Committee shall (A) annually perform an evaluation of the performance of the Committee, including a review of the Committee's compliance with this Charter; and (B) periodically review and reassess this Charter and submit any material recommended changes to the Board for its consideration.