



ALEAGENT HEALTH
INTERNAL AUDIT AND COMPLIANCE ADVISORY COMMITTEE CHARTER

I. STATEMENT OF PURPOSE

The Alegent Health Internal Audit and Compliance Advisory Committee (the “Committee”) shall be responsible for monitoring and directing of the Alegent Health Internal Audit and the Corporate Integrity (“Compliance”) programs. Scope includes the support of the Finance and Audit Committee’s duties in fulfilling its responsibilities related to accounting practices, internal controls, compliance and financial reporting.

II. ADVISORY COMMITTEE CALENDAR

- At the beginning of each year the Committee shall establish a proposed annual calendar to accomplish its purposes.
- The schedule shall be furnished to the Alegent Health Finance and Audit Committee Chair (the “FAC Chair”) for discussion and planning with the Chief Executive Officer (“CEO”).

III. MEMBERSHIP

- The Committee shall be comprised of three members from Alegent Health Executive Leadership and two members from the Finance & Audit Committee and/or Board of Directors (designated by the Chair of the Finance & Audit Committee).
- Members of Alegent Health Executive Leadership will be assigned by the CEO and shall include the CEO, President and one Senior Vice President.
- The Chairperson (the “Chair”) of the Committee shall be appointed by the FAC Chair.
- The Finance & Audit Committee shall determine how to fill vacancies on the Committee and adjust membership as needs arise from time to time.
- Committee members will be financially literate, and at least one member will have accounting or related financial management expertise in a complex organization.
- The CEO shall serve as a voting member of the Committee and the CEO and/or the CEO’s designee shall attend all Committee meetings.
- The Alegent Health Chief Financial Officer, General Counsel, Director of Tax, Treasury and Internal Audit and Compliance Officer shall serve as staff support to the Advisory Committee. (a)The Advisory Committee may ask other members of management to attend a meeting and provide pertinent information as necessary.

IV. RESPONSIBILITIES AND DUTIES

The Board of Directors delegates to the Finance & Audit Committee and subsequently the Finance & Audit Committee delegates to the Advisory Committee the express authority to do the following, to the fullest extent permitted by applicable law and Alegent Health’s

Amended and Restated Articles of Incorporation and Amended and Restated Bylaws (“Bylaws”):

In the absence of an Advisory Committee, the Finance & Audit Committee shall fulfill the functions of the Advisory Committee as shown.

A. Internal Audit:

1. **Risk Assessment.** Inquire of management, as applicable, about significant risks or exposures and assess the steps management has taken to minimize such risks to Alegen Health.
2. **Internal Controls.** Review the adequacy and effectiveness of the accounting and financial controls of Alegen Health, as applicable; and make recommendation for improvement to the system of internal controls or particular areas where new or more detailed controls or procedures are desirable.
3. **Process and Audit Firm.** Recommend an internal audit process and advisory audit firm to the Finance & Audit Committee.
4. **Annual Audit Plan.** Review and recommend the Alegen Health annual internal audit plan, and the consultation of such plan with the audit firm and address as appropriate.
5. **Audit Reports.** Receive and recommend for approval the completed internal audit reports and the progress report on the proposed internal audit plan, with explanations for any deviations from the original plan.
6. **Action Plans.** Review results of action plan follow up from completed audit reports.
7. **Review Charter.** Annually review and reassess the adequacy of this Charter and recommend any proposed changes to the Governance Committee for approval.
8. **Annual Self-Evaluation.** Conduct an annual self-evaluation to determine whether it is functioning effectively. The outcomes of the assessment process will be discussed with the Committee and a plan for improvements for the following year will be developed.

B. Compliance Program:

1. **Risk Assessment.** The Compliance Program may perform a target risk assessment, separately from Internal Audit, when specific compliance-related risks or exposures have been identified. The Compliance Program and Internal Audit shall collaborate in performing the risk assessment, where applicable and appropriate, to avoid duplicative assessments.
2. **Annual Audit Plan.** Review and recommend the Alegen Health annual Compliance Program audit plan and the consultation of such plan with outside consultants or audit firms and address as appropriate.

3. **Audit Reports.** Receive and recommend for approval the completed Compliance Program audits and the progress report on the proposed Compliance Program audit plan, with explanations for any deviations from the original plan.
4. **Action Plans.** Review results of action plan follow up from completed audit reports.
5. **Program Framework.** Establish an ethical framework by which the Board of Directors, Chief Executive Officer (CEO) and Alegent staff operates by establishing Standards of Conduct, which are embodied in Alegent's Corporate Integrity Program (Compliance Program).
6. **Conflicts of Interest.** The Advisory Committee shall be responsible for monitoring and enforcing the Alegent Conflicts of Interest policy for Management and Interested Persons across all applicable Alegent corporations.
7. **Review Charter.** Annually review and reassess the adequacy of this Charter and recommend any proposed changes to the Governance Committee for ratification.
8. **Annual Self-Evaluation.** Conduct an annual self-evaluation to determine whether it is functioning effectively. The outcomes of the assessment process will be discussed with the Committee and a plan for improvements for the following year will be developed.

V. MEETINGS

- The Advisory Committee shall meet a minimum of four times per year, preceding the Finance and Audit Committee.
- Advisory Committee members shall attend more than half of the meetings each year
- A special meeting of the Committee may be called by the Chair, upon the request of any two Committee members, by the Chair of the Finance and Audit Committee or the Board Chair.
- The agenda of each meeting shall be prepared, approved by the Chair and circulated to each Committee member prior to the meeting date.
- Unless the Committee or the Board adopts other procedures, the provision of Alegent's Bylaws applicable to meetings of Board committees shall govern meetings of the Committee.

VI. MINUTES

Advisory Committee meeting minutes will be delivered to Advisory Committee members and a report of activities and recommendations of the Committee will be presented to the Finance & Audit Committee at each meeting.

VII. SUBCOMMITTEES

The Advisory Committee has the power to appoint subcommittees, but no subcommittees will have any final decision making authority on behalf of the Board or the Advisory Committee.

VIII. RELIANCE; EXPERTS; COOPERATION

- A. **Retention of Advisors.** The Advisory Committee, upon concurrence of the Finance & Audit Chair, has the power, in its discretion, to retain, at Alegend Health's expense, such advisors and experts as it deems necessary or appropriate to carry out its duties.
- B. **Reliance Permitted.** The Advisory Committee will act in reliance on management, Alegend Health's independent public accountants, internal auditors, and advisors and experts, as it deems necessary or appropriate to enable it to carry out its duties.
- C. **Investigations.** The Advisory Committee has the power, in its discretion, to conduct any investigation it deems necessary or appropriate to enable it to carry out its duties.