

CHARTER OF THE
AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS OF
SURGICAL CARE AFFILIATES, INC.

(As adopted by the Board of Directors on October 30, 2013
and last amended on September 15, 2016)

I. Statement of Purpose

The Audit Committee (the “Committee”) is a standing committee of the Board of Directors (the “Board of Directors” or the “Board”) of Surgical Care Affiliates, Inc. (the “Company”). This charter (the “Charter”) sets forth the authority and responsibilities of the Committee in fulfilling the purposes described hereafter. The purpose of the Committee is to assist the Board of Directors in fulfilling its oversight responsibilities relating to (i) the integrity of the Company’s financial statements internal control system (including the implementation and effectiveness of internal control over financial reporting); (ii) the performance of an internal audit services function; (iii) the annual independent audit of the Company’s financial statements, the engagement of the independent auditors and the evaluation of the independent auditors’ qualifications, independence and performance; (iv) the compliance by the Company with legal and regulatory requirements; (v) the implementation and effectiveness of the Company’s disclosure controls and procedures; (vi) the evaluation of enterprise risk issues; and (vii) the fulfillment of the other responsibilities set out herein. In fulfilling its oversight role, the Committee relies on the reviews and reports noted below. Further, in fulfilling its responsibilities, it is recognized that members of the Committee are not full-time employees of the Company and are not, and do not represent themselves to be, professional accountants or auditors. The functions of the Committee are not intended to duplicate or substitute for the activities of management and the independent auditor, and the Committee members cannot provide any expert or special assurance as to the Company’s financial statements, internal controls or management of risk or any professional certifications as to the work of the independent auditor.

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company’s financial statements are complete, accurate and in accordance with generally accepted accounting principles in the United States. This is the responsibility of management and the independent auditors. Each member of the Committee shall be entitled to rely on (a) the integrity of those persons and organizations within and outside of the Company from which it receives information, (b) the accuracy of the financial and other information provided to the Committee by such persons or organizations absent actual knowledge to the contrary (which shall be promptly reported to the Board), and (c) representations made by management as to any audit and non-audit services provided by the independent auditor.

While this Charter should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Company’s Certificate of Incorporation and Bylaws, it is not intended to establish by its own force any legally binding obligations.

II. Organization

A. *Charter.* At least annually, this Charter shall be reviewed and reassessed by the Committee and any proposed changes shall be submitted to the Board for approval. This Charter shall be made available on the Company's website. A copy of this Charter shall be made available to any interested person upon written request.

B. *Members.* The Committee will consist of three or more members of the Board, with the exact number determined by the Board. Each member of the Committee will:

- be an "independent director" as defined under the applicable rules, regulations and listing requirements of the NASDAQ Stock Market (the "Exchange Rules"), except as may otherwise be permitted by the Exchange Rules (including the phase-in schedule for "independent directors" as set forth in the Exchange Rules);
- be "independent" as defined in Section 10A(m) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and Rule 10A-3 and any other rules and regulations promulgated by the Securities and Exchange Commission (the "Commission") under the Exchange Act (the "Commission Rules"), except as may otherwise be permitted by such Commission Rules (including the phase-in exemptions from the independence requirements as set forth in the Commission Rules);
- not have participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the past three years;
- have the ability to read and understand fundamental financial statements, including the Company's balance sheet, income statement, and cash flow statement; and
- meet any other requirements imposed by applicable law, regulations or rules, subject to any applicable exemptions and transition provisions.

All members of the Committee will have sufficient experience and ability to enable them to discharge their responsibilities, and at least one member will have past employment experience in finance or accounting, requisite professional certification in accounting, or other comparable experience or background which results in the individual's financial sophistication, including, but not requiring, being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities. A director who qualifies as an "audit committee financial expert" under the Commission Rules will be presumed to qualify as a financially sophisticated audit committee member.

All members of the Committee will be appointed by, and will serve at the discretion of, the Board. Committee members may be replaced or removed by the Board at any time in the Board's sole discretion. The Board shall appoint a member of the Committee to serve as the

chairperson of the Committee (the “Chair”). The Chair will set the agenda for Committee meetings and conduct the proceedings of those meetings.

C. *Meetings.* In order to discharge its responsibilities, the Committee shall each year establish a schedule of meetings; additional meetings may be scheduled as required. The Committee shall periodically meet in executive sessions, without management present, with (i) the independent auditors; and (ii) the head of internal audit (or internal audit service providers). The Committee shall also regularly meet in executive session with only the Committee members present. All meetings of the Committee may be held in person or telephonically.

D. *Quorum; Action by Committee.* A quorum at any Committee meeting shall be at least two members. All determinations of the Committee shall be made by a majority of its members present at a meeting duly called or held, except as specifically provided herein (or where only two members are present, by unanimous vote). Any decision or determination of the Committee reduced to writing and signed by all of the members of the Committee shall be fully as effective as if it had been made at a meeting duly called and held.

E. *Agenda, Minutes and Reports.* The Committee Chairperson shall be responsible for establishing the agenda for meetings of the Committee. An agenda, together with materials relating to the subject matter of each meeting, shall be sent to members of the Committee prior to each meeting. Minutes for all meetings of the Committee shall be prepared to document the Committee’s discharge of its responsibilities. The minutes shall be circulated in draft form to all Committee members to ensure an accurate final record, shall be approved at a subsequent meeting of the Committee and shall be distributed periodically to the full Board. The Committee shall make regular reports to the Board.

F. *Performance Evaluation.* The Committee shall evaluate its performance on an annual basis and establish criteria for such evaluation.

III. Responsibilities

The principal responsibilities and duties of the Committee in serving the purposes outlined in Section I of this Charter are set forth below. These duties are set forth as a guide with the understanding that the Committee will carry them out in a manner that is appropriate given the Company’s needs and circumstance. The Committee may supplement them as appropriate and may establish policies and procedures from time to time that it deems necessary or advisable in fulfilling its responsibilities.

A. Independent Auditors

1. *Appointment and Oversight of Independent Auditors.* The Committee will appoint the independent auditor to examine the Company’s accounts, controls and financial statements. The Committee has sole responsibility for the appointment, compensation, retention, oversight and evaluation of the work of any registered public accounting firm engaged (including resolution of disagreements between the Company’s management and the firm regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review

or attest services for the Company, and the independent auditor and each such registered public accounting firm will report directly to the Committee.

2. *Auditor Independence and Qualifications.* The Committee is responsible for assessing the independent auditor's qualifications, performance and independence annually. In connection with this assessment, the Committee will review, on an annual basis, all relationships between the independent auditor and the Company, including those described in the formal written statement that the Committee obtains annually from the independent auditor under applicable law or the applicable requirements of the Public Company Accounting Oversight Board (the "PCAOB"). The Committee shall discuss such reports with the independent auditor and take appropriate action to satisfy itself of the independence of the independent auditor. In connection with its evaluation of the performance of the independent auditor, the Committee shall consult with management and the head of internal audit (or internal audit service providers) and shall obtain and review a report by the independent auditor describing their internal control procedures, issues raised by their most recent internal quality control review, or peer review (if applicable), or by any inquiry or investigation by governmental or professional authorities for the preceding five years and the response of the independent auditor. The Committee shall consider whether it is appropriate to adopt a policy of rotating independent auditors on a periodic basis. Any selection of the independent auditor by the Committee may be subject to shareholders' approval, as determined by the Board of Directors. In addition, the Committee will review and, to the extent warranted, discuss with the independent auditor such reports and any other matters required to be reviewed under applicable legal or regulatory requirements or Exchange Rules.
3. The Committee shall discuss such reports with the auditors and take further appropriate action to satisfy itself of the independence of the auditors.
4. *Approval of Audit and Non-Audit Services*
 - a. The Committee will review the independent auditor's audit planning, scope and staffing.
 - b. The Committee shall approve procedures for the pre-approval of the engagement of the independent auditors to provide audit and non-audit services. The Committee shall, in accordance with such procedures, pre-approve all audit and non-audit services provided to the Company by the independent auditors, all as required by applicable law or listing standards.
5. *Interaction with Independent Auditor*
 - a. The Committee will periodically consult with the independent auditor out of the presence of the Company's management about the Company's internal controls, the fullness and accuracy of the Company's financial statements, any audit problems or difficulties and management's response,

and any other matters that the Committee or independent auditor believes should be discussed privately with the Committee.

- b. The Committee shall approve guidelines for the Company's hiring of former employees of the independent auditors, which shall meet the requirements of applicable law and listing standards.
6. *Funding*. The Company will provide for appropriate funding, as determined by the Committee, for payment of compensation to any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company.

B. Financial Statements and Disclosures

1. *Financial Statements and Disclosures*

- a. The Committee shall meet to review and discuss with the independent auditor and the Company's management the Company's annual audited financial statements to be included in the Company's Annual Report on Form 10-K (or the annual report to shareholders if distributed prior to the filing of the Form 10-K), including the Company's specific disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," their judgment about the quality, not just acceptability, of accounting principles, the reasonableness of significant judgments made in the preparation of the financial statements and the clarity of the disclosure therein.
- b. The Committee will be responsible for recommending to the Board whether the annual audited financial statements should be included in the Company's Annual Report on Form 10-K.
- c. The Committee shall review and discuss with management and the independent auditors the quarterly financial information to be included in the Company's Quarterly Reports on Form 10-Q, including the disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations." The Committee shall also discuss the results of the independent auditors' review of the Company's quarterly financial information conducted in accordance with applicable standards of the PCAOB (United States).
- d. The Committee shall discuss with the independent auditors and the Company's management any items appropriate or required to be discussed or communicated in accordance with applicable PCAOB standards and applicable law or listing standards in connection with the preparation of financial statements of the Company.

- e. The Committee may discuss with the national office of the independent auditors issues on which it was consulted by the Company's audit team and matters of audit quality and consistency.
 - f. The Committee will cause to be prepared and review a report to the Company's stockholders for inclusion in the Company's proxy statement as required by the Commission Rules.
2. *Earnings Announcements.* The Committee shall review the Company's earnings press release and discuss generally with the Company's management and the independent auditor, as appropriate, the type of information to be disclosed and type of presentation to be made therein.
 3. *On-going Reviews.* In connection with the foregoing, the Committee shall periodically review, with management and independent auditors, the Company's financial reporting and accounting standards and principles, significant or proposed changes in such standards or principles or in their application and the key accounting decisions affecting the Company's financial statements.

C. Internal Audit Function

1. *Review of Performance of Internal Auditors.* The Committee shall review and approve the appointment or change in the head of the internal audit function. The Committee shall annually review the experience and qualifications of the senior members of the internal audit function (or the internal audit service providers) and the responsibilities, staffing, budget and quality control procedures of the internal audit function, and shall make recommendations to the Board and management regarding the responsibilities, retention or termination of the head of the internal audit function. If the internal audit services are outsourced, the Committee shall be responsible for the engagement, evaluation and termination of the internal audit service providers and shall approve fees paid to the internal audit service providers. As part of its responsibility to evaluate any internal audit service providers, the Committee shall review the quality control procedures applicable to the service providers. The Committee shall also obtain not less frequently than annually a report of the service providers addressing such service providers' internal control procedures, issues raised by their most recent internal quality control review or by any inquiry or investigation by governmental or professional authorities for the preceding five years and the response of such service providers.
2. *Audits by Internal and Independent Auditors.* The Committee shall discuss with the head of internal audit (or the internal audit service providers) and the independent auditors the overall scope and plans for their respective audits, including the adequacy of staffing, budgets and other factors that may affect the effectiveness and timeliness of such audits. In this connection, the Committee shall discuss with management, the head of internal audit (or the internal audit service providers) and the independent auditors the Company's major risk exposures (whether financial, operating or otherwise), the adequacy and

effectiveness of the Company's internal control over financial reporting and the steps management has taken to monitor and control such exposures, among other considerations that may be relevant to their respective audits.

3. *Separate Meeting with Internal Audit Function.* The Committee will periodically meet separately with the internal audit function out of the presence of the Company's management. The Committee will review any significant reports to the Company's management prepared by the internal audit function and management's responses.

D. Controls and Procedures

1. *Oversight of Internal Control over Financial Reporting.* The Committee shall review with management and the independent auditors the Company's overall system of internal control, including management's annual assessment of the Company's internal control over financial reporting and the related report issued by the independent auditors. The Committee shall also review with management and the independent auditors (i) significant deficiencies and material weaknesses in the design or operation of the Company's internal control over financial reporting; (ii) any fraud (regardless of materiality) involving management or other employees having a significant role in internal control over financial reporting; and (iii) changes in the Company's internal control over financial reporting during the most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, such internal control over financial reporting.
2. *Review of Disclosure Controls and Procedures.* The Committee shall review with the Chief Executive Officer, the Chief Financial Officer and the General Counsel the Company's disclosure controls and procedures and shall review periodically, but in no event less frequently than quarterly, management's conclusions about the effectiveness of such disclosure controls and procedures, including any material non-compliance with them.
3. *Other Risk Assessment and Risk Management.* The Committee will discuss with the Company's management the Company's major financial risk and enterprise exposures and the steps management has taken to monitor and control such exposures, including the Company's procedures and any related policies with respect to risk assessment and risk management, including without limitation ensuring the Company has an appropriate information risk management program.
4. *Whistleblower Procedures.* The Committee is responsible for establishing, publishing and overseeing procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

5. *Oversight of Financial and Audit Controls and Procedures.* The Committee shall periodically, but not less frequently than annually, review with management, (including the General Counsel, if appropriate) the implementation and effectiveness of the Company's financial and internal audit controls and procedures, including the "whistleblowing" procedures referred to above. In performing such oversight of financial and audit controls and procedures, the Committee shall review with appropriate members of management, including the head of internal audit (or service providers) and, if appropriate, the General Counsel, the Compliance Officer and/or the independent auditors, any correspondence with, or other action by, regulators or governmental agencies and any employee complaints or published reports that raise concerns regarding the Company's financial statements and accounting or auditing matters. The Committee shall also meet periodically, and may request to meet separately, with the General Counsel, the Compliance Officer and other appropriate legal staff of the Company, and if appropriate, the Company's outside counsel, to review material legal affairs involving the Company. Each of the head of internal audit, General Counsel and the Compliance Officer has express authority to communicate personally with the Chair of the Audit Committee about any such matters as appropriate. The Committee shall have the sole authority for determining whether and on what terms to grant to any Director or executive officer a waiver from the Company's Standards of Legal and Regulatory Conduct.
6. *Related Party Transactions.* The Committee shall review periodically, but no less frequently than annually, a summary of the Company's transactions with Directors and officers of the Company and with firms that employ Directors, as well as any other related person transactions.
7. *Legal and Regulatory Oversight.* The Committee will periodically review with the Company's management the status of any legal or regulatory matters that could have a significant impact on the Company's financial statements.

E. Financial Derivative Transactions

1. *Oversight of Derivative Transactions.* The Committee shall have the sole authority to review and approve the Company's use of derivatives and swaps as part of a strategy to hedge or mitigate commercial risks to the Company's business. The Committee shall have the authority, without prior Board approval, to evaluate and approve the entry by the Company into all derivative transactions, including transactions that may be subject to the swap regulations under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act") and others that may be exempt or excluded from those regulations. With respect to derivative transactions involving "swaps," as defined under the Dodd-Frank Act, the authority of the Committee shall include the authority to review and approve the entry by the Company into transactions that are exempt from both the mandatory swap clearing and execution requirements imposed by Sections 2(h)(1) and 2(h)(8), respectively, of the Commodity Exchange Act of 1936, as amended (the "CEA"), because the Company qualifies

for the exception to such mandatory swap clearing and execution requirements (the “End-User Exception”) contained in Section 2(h)(7) of the CEA based on the criteria set forth therein; provided that prior to approving the entry by the Company into uncleared swaps pursuant to the End-User Exception, the Committee shall discuss with management and consider the advantages and disadvantages of entering into uncleared swaps as opposed to cleared swaps, including the financial strength of the counterparties the Company transacts with and the Company’s risk management objectives, and other matters that the Committee deems relevant. The Committee shall have the authority, in its discretion, to review and approve swap transactions eligible for the End-User Exception on an individual basis as they are entered into, or, as permitted by the CEA, on a “blanket” basis for a period of no more than 365 days from the date of the election to use the End-User Exception for such swaps. The Committee shall review and confirm, at least annually, that the Company satisfies the eligibility requirements contained in the CEA for election by the Company of the End-User Exception.

2. *Review of Financial Derivatives Policy.* The Committee shall review and discuss with management, at least annually, the Company’s current hedging strategy, including as set forth in the Company’s Financial Derivatives Policy, in order to evaluate the effectiveness of that strategy and determine whether any changes should be made, including the Company’s use of swaps and other derivatives, the types and attributes of those transactions (including the advisability of entering into uncleared swaps not executed on an exchange), and whether any blanket approval of uncleared swap transactions remains appropriate to the implementation of the Company’s hedging strategy or whether the Committee should approve uncleared swaps, instead, on a case-by-case basis. Management shall provide to the Committee reports regarding any significant changes in the Company’s trading or hedging strategies that could reasonably be expected to affect the applicability and efficacy of the Company’s Financial Derivatives Policy.

F. General

1. *Delegation.* The Committee may delegate any of its responsibilities to a subcommittee comprised of one or more members of the Committee.
2. *Other Activities.* The Committee will perform any other activities required by applicable law, rules or regulations, including the Commission Rules and Exchange Rules, and take such other actions and perform and carry out any other responsibilities and duties delegated to it by the Board or as the Committee deems necessary or appropriate consistent with its purpose.

IV. Studies and Advisers

The Committee, in discharging its responsibilities, may conduct, direct, supervise or authorize studies of, or investigations into, any matter that the Committee deems appropriate,

with full and unrestricted access to all books, records, documents, facilities and personnel of the Company. The Committee has the sole authority and right, at the expense of the Company, to retain legal counsel and other consultants, accountants, experts and advisers of its choice to assist the Committee in connection with its functions, including any studies or investigations. The Committee will have the sole authority to approve the fees and other retention terms of such advisers. The Committee shall have full authority to request any officer or employee of the Company, the Company's outside counsel, internal auditor, internal audit service providers or independent auditors to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee. The Company will provide for appropriate funding, as determined by the Committee, for:

- payment of compensation to any legal counsel and other consultants, accountants, experts and advisers retained by the Committee; and
- ordinary administrative expenses of the Committee that are necessary and appropriate in carrying out its functions.