

## **APOLLO MEDICAL HOLDINGS, INC.**

### **AUDIT COMMITTEE CHARTER**

This Audit Committee Charter was adopted by the board of directors (the “Board”) of Apollo Medical Holdings, Inc. (the “Company”) on November 15, 2018.

#### **I. Purpose**

The Audit Committee (the “Committee”) of the Board of the Company is established by the Board to assist the Board in:

(1) monitoring and ensuring: (a) the integrity of the Company’s financial statements; (b) the effectiveness of the Company’s internal controls over financial reporting; (c) the Company’s compliance with legal and regulatory requirements; (d) the qualifications and independence of the Company’s independent auditor; (e) the performance of the Company’s internal audit function and independent auditor; (f) the Company’s risk assessment and management practices and (g) the Company’s financial structure and strategy;

(2) preparing reports required to be prepared by audit committees under the rules of the Securities and Exchange Commission (“SEC”) for inclusion in the Company’s proxy statements; and

(3) overseeing the accounting and financial reporting processes of the Company and the audits of the financial statements of the Company.

#### **II. Composition**

The Board is responsible for the appointment and removal of Committee members. The Committee shall consist of at least three directors on the Board, each of whom will be appointed by the Board from time to time and will serve until their successors are appointed and qualified or until their earlier resignation or removal. Unless a chairperson is elected by the full Board, the members of the Committee may designate a chairperson by majority vote. The Board may remove any member of the Committee at any time, with or without cause.

Each member of the Committee shall satisfy the independence requirements of Section 10A (“Section 10A”) of the Securities Exchange Act of 1934, as amended by the Sarbanes-Oxley Act of 2002, and the listing standards of the NASDAQ Stock Market, and comply with the rules and regulations of the SEC and other applicable regulatory agencies.

Each member of the Committee must be financially literate (i.e., be able to read and understand fundamental financial statements, including the Company’s balance sheet, income statement, and cash flow statement), as determined by the Board. At least one member of the Committee must have accounting or related financial management expertise, as determined by the Board, taking into account such person’s employment experience, professional certification, and other comparable experience or background that could result in the individual’s financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities. The Company shall disclose whether at least one member of the Committee is an “audit committee financial expert” as defined Item 407(d)(5)(ii) of

Regulation S-K. A person who satisfies this definition of “audit committee financial expert” will be presumed to have accounting or related financial management expertise.

No Committee member may have participated in the preparation of the Company’s or any of its current subsidiaries’ financial statements at any time during the past three years. No Committee member may simultaneously serve on the audit committees of more than three public companies, including the Company, unless the Board has determined that such simultaneous service does not impair his or her ability to serve effectively on the Committee.

### **III. Conduct of Business**

The Committee will meet at least quarterly, or more frequently and at such places, dates and times, as its chairperson, or a majority of the Committee, determines. No notice of a regular meeting is required. A special meeting of the Committee may be called by the chairperson or two Committee members and shall be held at such place, on such date and at such time as the chairperson or Committee members shall fix. Notice of the place, date and time of such special meeting shall be given to each member by whom it is not waived in writing, including by facsimile or electronic means, not less than eighteen hours before the meeting. Unless otherwise indicated in the notice thereof, any and all business may be transacted at the special meeting. The provisions of the Company’s Bylaws applicable to meetings of the Board committees, including those regarding meeting participation, action without meetings, waiver of notice, and quorum and voting requirements will govern the meetings of the Committee.

The agenda for each regular meeting will be approved by the chairperson or a majority of the Committee and circulated to each member prior to the meeting. Each member may suggest items for consideration. Briefing materials will be provided to members of the Committee as far in advance as practicable. Each Committee meeting may conclude with an executive session of the Committee, absent members of management, as the Committee deems appropriate.

The Committee shall meet periodically, and as it deems appropriate, separately, with management, members of the Company’s internal audit department and representatives of the Company’s independent auditor or legal counsel, and may invite such persons to its meetings as it deems appropriate, to assist in carrying out its duties and responsibilities.

The Committee shall keep written minutes of its meetings. The minutes shall be circulated in draft form to Committee members to ensure an accurate final record, approved at a subsequent meeting of the Committee, distributed to the full Board, and maintained with the books and records of the Company. The Committee shall regularly report to the Board regarding its actions and make recommendations to the Board as appropriate.

### **IV. Authority**

The Committee shall be empowered, in its sole discretion, to conduct or authorize investigations into any matters within the scope of the responsibilities delegated to the Committee and to retain independent legal, accounting or other advisors, as it deems necessary or appropriate, and shall have full access to all Company books, records and personnel. The Company will provide appropriate funding, as determined by the Committee, for payment of compensation to the independent auditor for the purpose of preparing or issuing audit reports and to advisors that the

Committee chooses to engage, and for payment of ordinary administrative expenses of the Committee in fulfilling its responsibilities. The Committee shall promptly report to the full Board the results of its investigations and make such recommendations, as it may deem appropriate.

The Committee may form and delegate authority to subcommittees as it deems appropriate.

## **V. Responsibilities**

The Committee, in carrying out its responsibilities, believes its policies and procedures should remain flexible in order to best react to changing conditions and circumstances.

### *Oversight of the Selection, Performance and Independence of Independent Auditor*

1. The Committee shall be directly responsible for the appointment, compensation, retention and oversight of the work of the independent auditor in preparing or issuing audit reports or performing other audit, review or attest services for the Company, including recommending that the Board submit the Committee's selection of the independent auditor for stockholder ratification, if applicable. The independent auditor reports directly to the Committee, and the Committee oversees the resolution of disagreements between management and the independent auditor, if they arise. The Committee shall discuss the planning and staffing of the audit with the independent auditor prior to the audit, including the type and scope of services to be provided.
2. Unless the engagement is entered into pursuant to appropriate pre-approval policies and procedures established by the Committee and subject to the de minimis exceptions for non-audit services described in Section 10A, the Committee shall review and preapprove all auditing services and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by its independent auditor, which should be approved by the Committee prior to the completion of the audit. When appropriate, the Committee may form and delegate authority, including the authority to grant pre-approvals of audit and permitted non-audit services, to subcommittees; provided that decisions of such subcommittee to grant pre-approvals shall be presented to the full Committee at a subsequent meeting.
3. The Committee shall, at least annually, obtain and review a report by the Company's independent auditor that describes (1) the accounting firm's internal quality control procedures, (2) any issues raised by the most recent internal quality control review, peer review, the Public Company Accounting Oversight Board ("PCAOB") review or inspection of the firm or by any other inquiry or investigation by governmental or professional authorities in the past five years regarding one or more audits carried out by the accounting firm and any steps taken to deal with any such issues, and (3) all relationships between the accounting firm and the Company or any of its subsidiaries.
4. The Committee shall actively engage in a dialogue with the Company's independent auditor with respect to any disclosed relationship or service disclosed that may impact the objectivity and independence of the independent auditor, including considering whether the auditor's provision of permissible non-audit services is compatible with the auditor's independence, and take, or recommend that the full Board take, appropriate action to oversee the independence of the independent auditor.

5. The Committee shall ensure the rotation by the independent auditor of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit and shall establish policies for the Company's hiring of employees or former employees of the independent auditor.

*Oversight of financial reporting and disclosure as well as internal control structure*

6. The Committee shall review and discuss with the Company's independent auditor (1) all critical accounting policies and practices to be used in the audit; (2) all alternative treatments of financial information within generally accepted accounting principles ("GAAP") that have been discussed with management, the ramifications of the use of such alternative treatments and the treatment preferred by the auditors; and (3) other material written communications between the auditors and management.
7. 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, and the Company's major financial risk exposures and the special steps that management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.
8. The Committee shall discuss with management and the independent auditor significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including significant changes in the selection or application of accounting principles, major issues as to the adequacy of the Company's internal controls over financial reporting, special steps adopted to address deficiencies and the adequacy of disclosures about changes in the Company's internal controls.
9. Prior to the filing of the Company's annual reports, the Committee shall review and discuss with management and the independent auditor the Company's annual audited financial statements, disclosures made in management's discussion and analysis, the Company's and internal control reports (or summaries thereof) and the independent auditor's attestation reports, and recommend to the Board whether the audited financial statements should be included in the Company's annual reports. The Committee shall produce audit committee reports to be included in the Company's proxy statements.
10. Prior to the filing of the Company's quarterly reports, the Committee shall review and discuss with management and the Company's independent auditor the Company's quarterly financial statements, disclosures made in management's discussion and analysis and the results of the independent auditor's review of the financial statements.
11. The Committee shall review and discuss with management the Company's earnings press releases, including the use of pro forma or adjusted non-GAAP information, as well as the type and presentation of information to be presented. Such discussion may be done generally (discussing the types of information to be disclosed and the types of presentations to be made) rather than specifically as to individual press releases.
12. The Committee shall review disclosures made by the Company's CEO and CFO during

their certification process for the Company's annual reports and quarterly reports about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.

13. The Committee shall discuss with the Company's independent auditor all other matters required to be discussed under the PCAOB's statement on Auditing Standards No. 61.

#### *Oversight Internal Audit Function Oversight*

14. The Committee shall review the appointment, performance and replacement, as necessary, of the senior internal auditing executive.
15. The Committee shall review the significant issues raised in reports to management prepared by the internal auditing department and management's responses.
16. The Committee shall review at least annually the internal audit department and its mission, responsibilities, independence, procedures, budget and staffing and any recommended changes in the planned scope of the internal audit. This review shall include discussions with the Company's independent auditor regarding these matters.

#### *Compliance Oversight*

17. The Committee shall obtain from the Company's independent auditor assurance that Section 10A(b) has not been implicated. Section 10A(b) relates to illegal acts that have come to the attention of the independent auditor during the course of the audit.
18. The Committee shall review, approve and oversee any transaction between the Company and any related person (as defined in Item 404 of Regulation S-K), and to develop policies and procedures for the Committee's approval of related party transactions.
19. The Committee shall establish and oversee procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal control or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
20. The Committee shall discuss with management and the Company's independent auditor any correspondence with regulators or governmental agencies or published reports that raise material issues regarding the Company's financial statements or accounting policies.
21. The Committee shall discuss quarterly with the Company's counsel legal matters that may have a material impact on the Company's financial statements or compliance policies.
22. The Committee shall discuss annually with management the implementation and effectiveness of the Company's compliance and ethics programs.

## **VI. Limitation of the Audit Committee's Role**

While the Committee has the responsibilities set forth in this Charter, the Committee is not responsible for planning or conducting the audit or for determining whether the Company's financial statements are complete and accurate and are in accordance with GAAP. Management is responsible for the financial reporting process, the preparation of consolidated financial statements in accordance with GAAP, the system of internal controls, and procedures designed to insure compliance with accounting standards and applicable laws and regulations. The Company's independent auditor is responsible for auditing the Company's financial statements.

## **VII. Performance and Charter Evaluation**

The Committee shall conduct an annual evaluation of the performance of its duties under this Charter and shall present the results of the evaluation to the Board. The Committee may conduct this evaluation in such manner as it deems appropriate. The Committee shall review this Charter at least annually and recommend any proposed changes to the Board for approval.