

## **AMENDED AND RESTATED AUDIT AND COMPLIANCE COMMITTEE CHARTER**

The Board of Directors of Community Health Systems, Inc. (the "Company") has established an Audit and Compliance Committee (the "Committee") with general responsibility and specific duties as described below.

### **COMPOSITION**

The Committee shall be comprised of not less than three Directors who shall meet the requirements of applicable statutes and the New York Stock Exchange as may be in effect from time to time. Committee members shall be elected by the Board at its annual meeting and shall serve until their successors are duly elected and qualified. The Committee's chairperson shall be designated by the full Board, or if the Board does not do so, by vote of a majority of the full Committee. The Committee may form and delegate authority to subcommittees where appropriate.

### **RESPONSIBILITY**

The Committee's responsibility is to provide advice and counsel to Management regarding, and to assist the Board of Directors in its oversight of (1) the integrity of the Company's financial statements, (2) the Company's compliance with legal and regulatory requirements, (3) the Independent Accountant's qualifications and independence, and (4) the performance of the Company's internal audit function and Independent Accountant. The Committee is empowered, without seeking Board approval, to retain persons having special competence, including outside legal, accounting and other advisors, as necessary to assist the Committee in fulfilling its responsibility. 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 and accurate and are in accordance with generally accepted accounting principles. This is the responsibility of Management and the Independent Accountant. The Independent Accountant is ultimately accountable to the Committee.

### **ATTENDANCE**

Members of the Committee should endeavor to be present, in person or by telephone, at all meetings; however, two Committee members shall constitute a quorum. As necessary, the Chairperson may request members of Management, the Director of Internal Audit, and representatives of the Independent Accountant to be present at meetings.

### **MINUTES OF MEETINGS**

Minutes of each meeting shall be prepared and sent to Committee members and presented to Company Directors who are not members of the Committee at the next regularly scheduled meeting of the Board of Directors.

## **SPECIFIC DUTIES**

1. Appoint the Independent Accountant (subject to ratification by the stockholders), evaluate the Independent Accountant, approve all audit engagement fees and terms, as well as all non-audit engagements with the Independent Accountant, and review and approve any discharge of the Independent Accountant. The Committee may delegate to one or more Committee members the authority to pre-approve such non-audit services between regularly scheduled meetings provided that such approvals are reported to the full Committee at the next Committee meeting.
2. At least annually, obtain and review a report by the Independent Accountant describing: the firm's internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the firm, 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 firm, and any steps taken to deal with any such issues, and (to assess the Independent Accountant's independence) all relationships between the Independent Accountant and the Company.
3. Discuss with the Independent Accountant the quality of the Company's financial accounting personnel, and any relevant recommendations that the Independent Accountant may have.
4. Set clear hiring policies for employees or former employees of the Independent Accountant.
5. Become familiar with the accounting and reporting principles and practices applied by the Company in preparing its financial statements.
6. Review, prior to the annual audit, the scope and general extent of the Independent Accountant's audit examinations.
7. Review with the Independent Accountant any audit problems or difficulties and management's responses and resolve any disputes between management and the Independent Accountant regarding financial reporting.
8. Meet separately, periodically, with the Chief Financial Officer, the Controller, the Vice President of Internal Audit, the Vice President & Corporate Compliance Officer, the General Counsel, and the Independent Accountant.
9. Review with the Chief Financial Officer, the Controller, the Corporate Compliance Officer, the Independent Accountant, and the Vice President of Internal Audit, the Company's policies and procedures, as appropriate, to reasonably assess the adequacy of internal accounting and financial reporting controls and compliance practices and procedures.
10. Review and concur in the appointment, replacement, reassignment, or dismissal of the Vice President of Internal Audit.

11. Review with the Chief Financial Officer, the Controller, the Corporate Compliance Officer, and the Vice President of Internal Audit the adequacy and the scope of the annual internal audit plan, and any significant audit findings.
12. Review with the Chief Financial Officer, the Controller, the Corporate Compliance Officer, the Vice President of Internal Audit and the Independent Accountant, annual audited financial statements and quarterly financial statements, including the Company's disclosure under "Management's Discussion and Analysis of Financial Condition and Results of Operation" prior to their release to the public. Discuss with the Independent Accountant the matters required to be discussed by the Statement on Auditing Standards No. 61 relating to the conduct of the year-end audit.
13. Discuss earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies prior to their public release.
14. Monitor non-Board services provided by Directors and Executive Officers to and other transactions with the Company and its subsidiaries.
15. Advise the Board with respect to the policies and procedures of the Corporate Compliance Program and any material reports or inquiries received from regulators or governmental agencies.
16. Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters.
17. Establish procedures for the confidential anonymous submission by the Company's employees of concerns regarding questionable accounting or auditing matters.
18. Discuss policies with respect to risk assessment and risk management.
19. Prepare the report required by the rules of the Securities and Exchange Commission to be included in the Company's annual proxy statement.
20. Obtain and review a report from the Independent Accountant regarding (1) all critical accounting policies and practices to be used, (2) all alternative treatments of financial information within GAAP that have been discussed with management and the ramifications of the use of such alternative disclosures and treatments, (3) the treatment preferred by the Independent Accountant, and (4) other written communications such as any management letters or schedule of unadjusted differences.
21. Obtain and review reports from Management assessing the effectiveness of the Company's internal control structure and procedures for financial reporting, including (1) all significant deficiencies or material weaknesses in the design or operation of internal controls, (2) any fraud, whether or not material, that involves Management or other employees having a significant role in the internal controls, and (3) all significant changes to internal controls, including corrective actions, since the last report to the Committee.

22. Review the Committee's Charter annually, and update as appropriate.
23. Perform an annual evaluation of the Committee, including evaluating the qualifications of the Committee's members in accordance with the standards and requirements of the New York Stock Exchange and the SEC.
24. Report regularly to the Board of Directors with such recommendations as the Committee may deem appropriate.
25. Perform such other functions as may be required by law, the Company's Restated Certificate of Incorporation or By-Laws, or the Board.

### **APPROVAL AND ADOPTION**

As adopted by the Audit and Compliance Committee and approved by Board of Directors on December 10, 2002.

As revised and adopted by the Audit and Compliance Committee and approved by the Board of Directors on February 24, 2004.

As revised and adopted by the Audit and Compliance Committee on February 22, 2005, and approved by the Board of Directors on February 23, 2005.