

## SECURITY AND COMPLIANCE COMMITTEE CHARTER

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### OPERATING POLICIES AND PROCEDURES

#### 1. PURPOSE.

The purpose of the Security and Compliance Committee (“Committee”) of the Board of Directors (“Board”) of Inovalon Holdings, Inc. (“Company”) is to provide oversight related to the security and compliance activities and obligations of the Company and its subsidiaries (collectively “Inovalon”). In particular, the Committee is responsible for overseeing:

- Inovalon’s compliance with applicable laws, rules and regulations, including the Health Insurance Portability and Accountability Act of 1996, and its implementing regulations (“HIPAA”);
- Inovalon’s privacy and security programs;
- Inovalon’s disaster recovery and business continuity plans; and
- the roles of Inovalon’s Chief Technology Officer, Chief Security Officer, Chief Compliance Officer, and Chief Privacy Officer.

This charter (“Charter”) sets forth the authority and responsibility of the Committee in fulfilling its purpose.

#### 2. MEMBERSHIP.

The Committee will consist of no fewer than three members of the Board, unless otherwise determined by the Board. All members of the Committee will be appointed by, and will serve at the discretion of, the Board. The Board may appoint a member of the Committee to serve as the chairperson of the Committee (“Chair”). If the Board does not appoint a Chair, the Committee members may designate a Chair by their majority vote. The Chair will set the agenda for Committee meetings and conduct the proceedings of those meetings. The Committee may delegate any of its responsibilities to a subcommittee of its members when appropriate in its determination.

#### 3. RESPONSIBILITIES AND DUTIES.

The principal responsibilities and duties of the Committee in serving the purposes outlined in Section 1 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 circumstances. 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.

The Committee will:

- 3.1. Ensure proper communication of significant compliance issues to the Board and to the other Board committees.
- 3.2. Review significant compliance risk areas and the steps management has taken to monitor, control, and report such compliance risk exposures.
- 3.3. Oversee Inovalon's compliance with applicable laws, rules and regulations, including HIPAA.
- 3.4. Oversee Inovalon's privacy and security programs, including:
  - (a) the security and protection of protected health information;
  - (b) the physical security of Inovalon's properties, including Inovalon's datacenters; and
  - (c) the security platform, network, and big data systems and software.
- 3.5. Periodically review and assess the adequacy and functionality of Inovalon's privacy and security programs.
- 3.6. Periodically assess whether Inovalon's privacy and security programs are aligned with Inovalon's and Inovalon's clients' business objectives and goals.
- 3.7. Oversee Inovalon's disaster recovery and business continuity plans.
- 3.8. In conjunction with the Board and the Company's Chief Executive Officer, oversee the roles and responsibilities of Inovalon's Chief Technology Officer, Chief Security Officer, Chief Compliance Officer, and Chief Privacy Officer.
- 3.9. Review and approve compliance related policies and procedures including oversight and periodic review of the Company's whistleblower policy.
- 3.10. Periodically review, in a general manner with the Audit Committee, the Company's process for assessing and managing the Company's compliance with applicable laws, rules and regulations.
- 3.11. Meet regularly in executive session with the Company's Chief Compliance Officer.
- 3.12. Annually review the Committee's performance.
- 3.13. Review and reassess the adequacy of this Charter annually and recommend to the Board any proposed changes.

#### **4. ADVISERS.**

The Committee has the sole authority and right, at the expense of the Company, to retain legal and other consultants, experts and advisers of its choice to assist the Committee in connection with its functions. The Committee will have the sole authority to approve the fees and other retention terms of those advisers. The Company will provide for appropriate funding, as determined by the Committee, for:

- payment of compensation to any advisers retained by the Committee; and
- ordinary administrative expenses of the Committee that are necessary and appropriate in carrying out its functions.

#### **5. MEETINGS.**

The Committee will meet as often as it determines necessary, but at least quarterly. The Chairman of the Board or any member of the Committee may call meetings of the Committee. The Chair, in consultation with the other member(s) of the Committee will set the dates, times and places of such meetings. A quorum of the Committee for the transaction of business will be a majority of its members. The Committee may also act by unanimous written consent in lieu of a meeting in accordance with the Company's Bylaws. Subject to the requirements of this Charter, applicable law, the Exchange Standards and the rules and regulations of the Commission, the Committee and the Chair may invite any director, executive or employee of Inovalon, or such other person, as it deems appropriate in order to carry out its responsibilities, to attend and participate (in a non-voting capacity) in all or a portion of any Committee meeting. The Committee may exclude from all or a portion of its meetings any person it deems appropriate in order to carry out its responsibilities.

#### **6. MINUTES AND REPORTS.**

The Committee will maintain written minutes of its meetings and copies of its actions by written consent. The Committee will cause minutes and copies of written consents to be filed with the minutes of the meetings of the Board. The Chair will report to the Board from time to time with respect to the activities of the Committee, including on significant matters related to the Committee's responsibilities and the Committee's deliberations and actions.