

Audit Committee Charter

Purpose

1.1 The primary purpose of the Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of The Joint Corp. (the “Company”) is to oversee the Company’s accounting and financial reporting processes and the audit of the Company’s financial statements.

1.2 The Committee’s other purposes include (i) oversight of internal accounting and financial controls, the qualifications and independence of the Company’s independent accountants, and the Company’s compliance with legal and regulatory requirements, and (ii) reviewing, setting policy and evaluating the effectiveness of the Company’s processes for assessing significant risk exposures and the measures that management has taken to minimize such risks.

Authority

2.1 The chairperson and secretary of the Committee shall provide, or arrange with the Company’s chairperson or president to provide, such reports, information, data and services as the Committee may request in discharging its oversight responsibilities;

2.2 The Committee shall have unrestricted access both to the Company’s management and other employees whose views the Committee may consider helpful and to the Company’s books and records, and shall have the authority to retain outside counsel, accountants or other consultants in the Committee’s sole discretion.

Membership

3.1 The Committee shall be composed of three or more directors, as the Board determines. Each member of the Committee shall be appointed annually by the Board upon the recommendation of the Nominating and Governance Committee of the Board, and may be removed by the Board at any time at the Board’s discretion.

3.2 Each member of the Committee shall be independent under the applicable standards for independence of the US Securities and Exchange Commission (the “SEC”) and the Nasdaq National Market, Inc. (“Nasdaq”) (except as otherwise may be allowed by those rules in exceptional circumstances or to phase in compliance in connection with an initial public offering).

3.3 Each member of the Committee, at the time of his or her appointment to the Committee, shall be able to read and understand financial statements, including the Company’s balance sheet, income statement and cash flow statement.

3.4 At least one member of the Committee shall meet the requirements of an “audit committee financial expert” as determined by the Board in accordance with SEC rules and regulations).

3.5 At least one member of the Committee shall have past employment experience in finance or accounting, requisite professional certification in accounting or other comparable experience or background that leads to financial sophistication.

General Responsibilities

The Committee shall have the following general responsibilities. The Committee may expand these responsibilities as it considers necessary or appropriate in carrying out its oversight function:

4.1 To prepare the audit committee report required by the SEC’s rules to be included in the Company’s annual proxy statement.

4.2 To review periodically with the Company's counsel and/or principal regulatory compliance officer any legal and regulatory matters that may have a material effect on the Company's financial statements, operations, compliance policies and programs.

4.3 To review and approve 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 concerns regarding questionable accounting or auditing matters.

4.4 To recommend to the Board that the audited annual financial statements and unaudited quarterly financial statements be included in the Company's annual report on Form 10-K and its quarterly reports on Form 10-Q, respectively (if and when applicable).

4.5 To review with management, the senior internal auditor (if any) and the Company's independent accountants disclosures of insider and related party transactions and carry out the Committee's responsibilities under the Company's Policy and Procedures for Reviewing Related Party Transactions.

4.6 To review and approve the hiring of employees and former employees of the Company's independent auditors.

4.7 To evaluate the Committee's performance in such manner as it deems appropriate and review this Charter annually, recommending any appropriate changes to the Board.

4.8 To report regularly to the Board with respect to the Committee's meetings and activities.

4.9 In the Committee's discretion, to conduct or authorize investigations into matters within the scope of its responsibilities.

4.10 To select, retain, compensate, oversee and terminate, if necessary, any other 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.

4.11 To discuss the Company's policies with respect to risk assessment and risk management, including with respect to financial, operational, privacy, security, cybersecurity, business continuity and legal and regulatory risks, as well as guidelines and policies to govern the process by which the Company's exposure to risk is handled.

4.12 To review and discuss the Company's cybersecurity and other information technology risks, and the risk exposure regarding privacy and data security, including: (i) the potential impact of those exposures on the Company's business, operations, and reputation; and (ii) the steps the Company's management has taken to monitor and mitigate such exposures.

4.13 To take any other actions required of the Committee by law, applicable regulations, or as may be requested by the Board.

Responsibilities Relating to Independent Accountants and Internal Audit Function

The Committee shall have the following responsibilities relating to the Company's independent accountants and internal audit function:

5.1 To have sole authority to appoint or replace the independent accountants (subject, if applicable, to stockholder ratification). The Committee shall be directly responsible for the compensation and oversight of the work of the independent accountants for purposes of rendering or issuing an audit report or related work or performing other audit, review or attest services for the Company. The independent accountants

shall report directly to the Committee.

5.2 To review the experience and qualifications of the senior members of the independent accountants' audit team.

5.3 At least annually, to obtain and review any and all reports required by the SEC or Nasdaq relating to the independent accountants' internal quality control procedures (including any material issues raised by internal or peer reviews or governmental authorities and any steps taken to address any such issues).

5.4 To approve all audit engagement fees and terms; and to review and pre-approve all audit and permitted non-audit services that may be performed by the Company's independent auditors or other registered public accounting firms, and establish policies and procedures for the Committee's pre-approval of permitted services by the Company's independent auditors or other registered public accounting firms on an on-going basis.

5.5 To confirm that the independent auditors have a process in place to address the rotation of the lead audit partner and other audit partners serving the Company's account as required under SEC independence rules.

5.6 To review and concur in the appointment, replacement, reassignment or dismissal of the senior internal auditor. The senior internal auditor shall report the matters within the scope of his or her authority directly to the Committee.

5.7 To ensure that the independent accountants deliver to the Committee annually a formal written statement delineating all relationships between the independent accountants and the Company and addressing at least the matters set forth in Independence Standards Board Standard No. 1, Independence Discussions with Audit Committees, and to discuss with the independent accountants any relationships or services disclosed in such statement that may impact the objectivity and independence of the Company's independent accountants. The Committee shall present its conclusions with respect to the independent accountants to the Board.

Responsibilities Relating to Audits and Financial Statements.

The Committee shall have the following responsibilities relating to the Company's audits and financial statements:

6.1 To request the independent accountants to confirm that they report directly to the Committee and that they will provide the Committee with timely analyses of significant financial reporting and internal control issues.

6.2 To review with management significant risks and exposures identified by management, the internal auditors or the independent accountants, and management's steps to address these risks.

6.3 To review the scope of the internal audits with the senior internal auditor and the scope of the external audit with the independent accountants.

6.4 To review with management, the independent accountants and the senior internal auditor (i) the Company's internal controls, including computerized information system controls and security, and (ii) any significant findings and recommendations made by the independent accountants or internal auditor.

6.5 After the completion of the annual audit examination (and before the Company's annual report on Form 10-K is filed with the SEC if the Company is currently a reporting company), to review with management and the independent accountants:

- the company's annual financial statements and related footnotes, including disclosures made in management's discussion and analysis
- the independent accountants' audit of and report on the financial statements
- the appropriateness and acceptability of the accounting principles, financial disclosures and underlying estimates used in the Company's financial statements, including (i) critical accounting policies and practices and (ii) alternative treatments within generally accepted accounting principles for policies and practices related to material items that have been discussed with management
- any significant difficulties, such as a restriction on the scope of the audit, or disputes with management encountered during the course of the audit and management's response
- the effect of regulatory and accounting initiatives
- the effect of off-balance sheet structures, if any, on the Company's financial statements
- any major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies
- any other matters about the audit procedures or findings that generally accepted auditing standards require the auditors to discuss with the Committee, including any material written communications between the independent accountants and management

6.6 To review and discuss with management and the independent accountants the Company's quarterly financial statements before each quarterly report on Form 10-Q is filed with the SEC (if the Company is currently a reporting company).

6.7 To discuss with management earnings press releases and generally discuss financial information and earnings guidance provided to analysts and rating agencies.

6.8 To discuss with management and the independent accountants (i) any significant deficiencies in the design or operation of internal controls and any material weaknesses identified, (ii) any fraud involving management or other employees who have a significant role in the Company's internal controls and (iii) any employee complaints or published reports that raise material issues regarding the Company's accounting, internal accounting controls or auditing matters.

6.9 To review with management and the senior internal auditor (i) any difficulties that the internal auditors encountered while conducting audits, including any restrictions on the scope of their work or access to required information, (ii) any changes to the planned scope of the internal audit plan that the Committee thinks advisable and (iii) the internal audit department's budget and staffing.

Outside Advisors

7.1 The Committee shall have the authority, in its sole discretion, to retain and obtain the advice and assistance of independent outside counsel and such other advisors as it deems necessary to fulfill its duties and responsibilities under this Charter. The Committee shall set the compensation, and oversee the work, of any outside counsel and other advisors.

7.2 The Committee shall receive appropriate funding from the Company, as determined by the Committee in its capacity as a committee of the Board, for the payment of compensation to the Company's independent auditors, any other accounting firm engaged to perform services for the Company, any outside counsel and any other advisors to the Committee.

Procedures

8.1 The Committee shall meet at least four times a year and at such other times at the call of the chairperson or any two members of the Committee. Two members of the Committee shall constitute a quorum, and all actions of the Committee at a meeting at which a quorum is present shall be taken by majority vote. The committee may also act by the unanimous written consent of its members. The committee shall make regular reports of its proceedings to the Board.

8.2 The members of the Committee shall elect a chairperson, and the chairperson shall appoint a secretary of the Committee, who may be one of the members of the Committee or the secretary or an assistant secretary of the Company. The secretary of the Committee shall prepare minutes of the meetings, maintain custody of copies of reports, information and data furnished to and used by the Committee, and generally assist the Committee in connection with preparation of agendas, notices of meetings and other matters.