



## Corporate Governance

### Board of Directors

We are governed by our Board of Directors. Our Board is composed of seven directors, each of whom is elected at the annual meeting of stockholders and serves until the next annual meeting.

With the exception of Peter D. Holt, our Chief Executive Officer, all of our directors are outside directors (i.e., directors who are neither officers nor employees of ours). The Board has determined that all of our outside directors are independent under the applicable listing standards of the NASDAQ Global Market.

Our seven directors are:

*Peter D. Holt* became our Chief Operating Officer in April, 2016. In August, 2016, he was appointed Chief Executive Officer and became a member of our board of directors. Prior to joining The Joint, he served as President and CEO of Tasti D-Lite, a retailer of lower-fat dairy desserts. He also served as Chief Operating Officer of 24Seven Vending (US), a subsidiary of the New Zealand publicly traded company, VTL Group Limited, and held various positions with Mail Boxes, Etc., including Executive Vice President of Franchise Sales and Development, Senior Vice President, International, and Vice President, International. Mr. Holt also held positions at Brice Foods, Inc., Great Hills Partners and International Franchise Association. Holt holds an M.A. degree from the University of London and a B.A. from the University of Washington, where he graduated cum laude.

*Ronald V. DaVella* was an audit partner with Deloitte & Touche LLP from June 1989 to July 2014. Prior to becoming a partner at Deloitte & Touche, Mr. DaVella served as an audit manager and staff accountant from August 1980 to June 1989. He received a bachelor of science degree in accounting from Queens College in 1979 and a masters in business administration degree in finance from Pace University in 1985. Mr. DaVella is a certified public accountant in the State of Arizona. Mr. DaVella has significant experience in serving a variety of public and private companies including those in the retail and franchise industries. He has assisted his clients with mergers and acquisitions, operational and financial controls, internal and external reporting, financings and public offerings and filings with the SEC.

*Bret Sanders* has served since 1992 as Director of Equity Trading at Sanders Morris Harris Inc., member FINRA/SIPC, a Houston based registered broker dealer and investment advisor. Prior to joining Sanders Morris Harris, Mr. Sanders was employed in the legal and investment

consulting business, advising investment firms on regulatory and compliance issues. Mr. Sanders is a founding member and has served for six years on the board of directors of R Bank Texas, a regional bank based in Round Rock and Austin, Texas, and is a member of the board of directors of The Sunshine Kids and HeartGift, two charitable organizations based in Houston. Mr. Sanders is also an owner and has served for 15 years as a member of the board of directors of Ryan Sanders Baseball, Inc., parent company of The Round Rock Express, Triple-A affiliate of Major League Baseball's Texas Rangers. In addition, he is a former owner and board member of the Corpus Christi Hooks, Double-A affiliate of Major League Baseball's Houston Astros. Mr. Sanders is a graduate of the University of Houston, with a Bachelor of Arts in Political Science.

*James Amos* is former chief executive officer and chairman of the board of Mail Boxes Etc. (MBE), now The UPS Store. Under his leadership, MBE became the world's largest and fastest growing franchisor of retail business, communication and postal service centers with a network of nearly 5,000 locations worldwide. He is past chairman of the International Franchise Association, the oldest and largest association representing franchising in the United States. In addition to a distinguished career in business leading companies as an executive and as a board member, Amos is a versatile author and has written extensively on the franchising industry and on a variety of other subjects. He is currently chairman of the board of APFI, Proctor and Gamble's franchising initiatives.

*Richard Kerley* served as chief financial officer and member of the board of directors of Peter Piper, Inc., a privately-held pizza and entertainment restaurant chain. He joined Peter Piper in 2008 after serving as chief financial officer of Fender Musical Instruments Corporation, a privately-held manufacturer and wholesaler of musical instruments and equipment. Prior to that, Kerley spent over 30 years at Deloitte & Touche, most recently as audit partner on both public and private companies. He is currently a member of the board of directors of The Providence Service Corporation (NASDAQ:PRSC), an Arizona based company that provides and manages government sponsored human services, innovative global employment services, comprehensive health assessment and care management services, and non-emergency transportation services.

*Susan M. Decker* is currently the Chief Human Resources officer for Aspen Dental Management, Inc. ("ADMI"). ADMI supports more than 600 dentist-owned branded dental practices in 35 U.S. States doing business as Aspen Dental. Ms. Decker is responsible for all HR-related activities to support ADMI's 8000 team members, including compensation, benefits, performance and talent management, engagement and employee relations, talent acquisition, field HR and employment practice liability. Ms. Decker joined ADMI's Field Operations team in 2002, supporting practice operations throughout the State of New York. Prior to joining ADMI, Ms. Decker was Director of Human Resources for the Davis Vision companies, a vertically integrated vision services provider. Ms. Decker holds a Bachelor's degree from Russell Sage College in Troy, New York.

*Matthew E. Rubel* served as CEO, President and a Board Member of Varsity Brands, Inc. Previously, starting in 2015, Mr. Rubel served as a Senior Advisor at Roark Capital Group. From 2011 to 2015, he served as a Senior Advisor to both TPG Capital LP and TPG Growth. Prior to his advisor roles, Mr. Rubel served as Chief Executive Officer and President of Collective Brands, Inc. from 2005 to 2011, including time as Chairman, Chief Executive Officer

and President of Payless, Inc., which saw the acquisition of brands including Sperry Topsider, Saucony, Stride Rite and Keds. From February 1999 to July 2005, he served as the Chairman, Chief Executive Officer and President of Cole Haan. Prior to joining Cole Haan, Mr. Rubel served as an Executive Vice President of J. Crew Group and Chief Executive Officer of Popular Club Plan from 1994 to 1999. Mr. Rubel has been a director of numerous multi-national retail companies and consumer brands. Currently, he is an Independent Director at Hudson's Bay Company. In addition, Mr. Rubel currently serves on the board of HSNi, the holding company of HSN and Cornerstone Brands. In 2010, Mr. Rubel became a presidential appointee to the House Advisory Council on Trade Policy Negotiation. Mr. Rubel holds a Bachelor of Science degree from Ohio University and received his MBA from University of Miami in 1980.

### **Committees of the Board**

Our Board of Directors has standing Compensation, Audit, and Nominating and Governance Committees. All of the members of each committee are outside directors who are independent under the applicable listing standards of the NASDAQ Global Market.

#### ***Compensation Committee***

The Compensation Committee makes recommendations to the Board of Directors concerning the base salaries and cash bonuses of our executive officers and reviews our employee compensation policies generally. The Committee also administers our stock option plans as they apply to our executive officers. In addition, the Committee periodically reviews our compensation practices to evaluate whether they pose enterprise or other risks to us.

Our Compensation Committee consists of Rich Kerley, Susan M. Decker and Matthew Rubel. The SEC rules and the NASDAQ Global Market rules require us to have all independent Compensation Committee members within one year of the date of the completion of the IPO. Our Board of Directors has affirmatively determined that all members of the Compensation Committee meet the definition of "independent director" for purposes of serving on a Nominating and Governance Committee under applicable SEC and NASDAQ Global Market rules.

#### ***Audit Committee***

The Audit Committee assists the Board of Directors in fulfilling its oversight responsibilities relating to the integrity of our financial statements, the qualifications and experience of our independent accountants, the performance of our internal audit function and our independent accountants, and our compliance with legal and regulatory requirements.

The Audit Committee reviews our risk management policies and practices and reports any significant issues to the Board. Matters of risk management are brought to the Committee's attention by our Chief Financial Officer, who fills the functional role of our chief risk officer, or by our principal internal auditor, who focuses on potential weaknesses that could result in a failure of an internal control process. Our management reviews and reports on potential areas of risk at the Committee's request or at the request of other members of the Board.

Our Audit Committee consists of Rich Kerley, Bret Sanders and Ron DaVella. The SEC rules and the NASDAQ Global Market rules require us to have all independent Audit Committee members within one year of the date of the completion of the IPO. Our Board of Directors has affirmatively determined that all current Audit Committee members meet the definition of “independent director” for purposes of serving on an Audit Committee under applicable SEC and NASDAQ Global Market rules. In addition, Ron DaVella and Rich Kerley qualify as our “audit committee financial experts,” as such term is defined in Item 407 of Regulation S-K.

### *Nominating and Governance Committee*

The Nominating and Governance Committee identifies and evaluates possible nominees for election to the Board of Directors and recommends to the Board a slate of nominees for election at the annual meeting of stockholders. The Committee also recommends to the Board director assignments to the Board’s committees. In addition, the Committee develops, recommends to the Board and oversees the implementation of our corporate governance policies and practices.

The Committee considers a variety of factors in evaluating a candidate for selection as a nominee for election as a director. These factors include the candidate’s personal qualities, including, in particular, the candidate’s probity, independence of judgment and analytical skills, and the candidate’s professional experience, educational background, knowledge of our business and healthcare services generally, and experience serving on the boards of other public companies. While we do not currently have a formal diversity policy in connection with the selection of candidates as nominees for election as directors, the Board seeks directors who bring to the Board a mix of backgrounds and experiences that will enhance the quality of the Board’s deliberations and decisions. The Committee has not established any minimum qualifications that a candidate must possess. In determining whether to recommend an incumbent director for re-election, the Committee also considers the director’s preparation for and participation in meetings of the Board of Directors and the committee or committees of the Board on which the director serves.

In identifying potential candidates for selection in the future as nominees for election as directors, the Committee relies on suggestions and recommendations from the other directors, management, stockholders and others and, when appropriate, may retain a search firm for assistance. The Committee will consider candidates proposed by stockholders and will evaluate any candidate proposed by a stockholder on the same basis that it evaluates any other candidate. Any stockholder who wants to propose a candidate should submit a written recommendation to the Committee indicating the candidate’s qualifications and other relevant biographical information and providing preliminary confirmation that the candidate would be willing to serve as a director. See “—Communications with the Board.”

Our Nominating and Governance Committee consists of Jim Amos, Matthew Rubel and Bret Sanders. The SEC rules and the NASDAQ Global Market rules require us to have all independent Nominating and Corporate Governance Committee members within one year of the date of the completion of the IPO. Our Board of Directors has affirmatively determined that all members of the Nominating and Governance Committee meet the definition of “independent

director” for purposes of serving on a Nominating and Governance Committee under applicable SEC and NASDAQ Global Market rules.

***Committee Charters***

The charters of the Compensation, Audit, and Nominating and Governance Committees are available on the Company’s website.

***Committee Members***

 Chairperson

 Member

[Audit Committee](#)   [Compensation Committee](#)   [Nominating and Governance Committee](#)

[Jim Amos](#)



[Ronald V. DaVella](#) (1)



[Richard Kerley](#) (1)



[Bret Sanders](#)



Susan M. Decker



Matthew Rubel



- (1) The Board of Directors has determined that Mr. DaVella and Mr. Kerley are audit committee financial experts as described in the applicable rules of the U.S. Securities and Exchange Commission.

**Corporate Governance**

***Executive Sessions of the Board***

Our Board of Directors excuses Mr. Holt, our Chief Executive Officer, as well as any of our other executive officers who may be present by invitation, from a portion of each meeting of the Board in order to allow the Board to review Mr. Holt’s performance as Chief Executive Officer and to enable each director to raise any matter of interest or concern without the presence of management.

***Board Evaluation***

Our directors annually review the performance of the Board of Directors and its committees and the performance of their fellow directors by completing confidential evaluation forms that are returned to Mr. Amos as the Chair of the Nominating and Governance Committee.

At a subsequent meeting of the Board, Mr. Amos leads a discussion with the full Board of any issues and suggestions for improvement identified in his review of these evaluation forms.

### ***Policy on Related Party Transactions***

The Board of Directors has adopted a written policy requiring certain transactions with related parties to be approved in advance by the Audit Committee. For purposes of this policy, a related party includes any director or executive officer or an immediate family member of any director or executive officer. The transactions subject to review include any transaction, arrangement or relationship (or any series of similar transactions, arrangements and relationships.) in which (i) we will be a participant, (ii) the aggregate amount involved exceeds \$100,000.00 and (iii) a related party will have a direct or indirect interest. In reviewing proposed transactions with related parties, the Audit Committee will consider the benefits to us of the proposed transaction, the potential effect of the proposed transaction on the director's independence (if the related party is a director), and the terms of the proposed transaction and whether those terms are comparable to the terms available to an unrelated third party or to employees generally.

The full text of our Policy and Procedures for Reviewing Related Party Transactions is available on the Company's website.

### ***Succession Planning***

The Board of Directors annually reviews and approves our succession planning for our Chief Executive Officer, our other executive officers and a number of other officers.

### **Communications with the Board**

Stockholders who would like to communicate with the Board may do so by writing to the Board of Directors, The Joint Corp., 16767 N. Perimeter Drive, Suite 240, Scottsdale, AZ 85260, Attention: Peter Holt. We will process all communications received. Communications relating to matters within the scope of the Board's responsibilities will be forwarded to the Lead Director and at his direction to the other directors, and communications relating to ordinary day-to-day business matters that are not within the scope of the Board's responsibilities will be forwarded to the appropriate officer or executive. Communications addressed to a particular committee of the Board will be forwarded to the chair of that committee and at his direction to the other members of the committee.