

Charter of the Audit Committee of the Board of Directors of JTH Holding, Inc.

(Revised and effective as of December 6, 2013)

Purpose

JTH Holding, Inc. and its subsidiaries are collectively referred to herein as Liberty Tax Service, Liberty or the “Company”. The purpose of the Audit Committee (the “Committee”) of the Board of Directors is to oversee the accounting and financial reporting processes of the Company and the audits of the financial statements of the Company. The Committee shall assist the Board in fulfilling its oversight responsibilities with respect to (1) the integrity of the Company’s financial statements, (2) the external auditor’s qualifications and independence, (3) the system of internal control, (4) the audit process, (5) the company’s process for monitoring compliance with laws and regulations and the Code of Conduct, and (6) preparing the disclosures required by Item 407(d)(3)(i) of Regulation S-K.

Authority

The Audit Committee has authority to conduct or authorize investigations into any matters within its scope of responsibility. It is empowered to:

- Appoint, compensate and oversee the work of any registered public accounting firm employed by the organization, with the Company providing appropriate funding, as determined by the Audit Committee, for payment of such compensation.
- Resolve any disagreements between management and the auditor regarding financial reporting.
- The Chairman of the Committee or the Committee shall pre-approve all auditing and any permissible non-audit services. In the event that the Chairman of the Committee provides such approval, the Committee will ratify that action at its next meeting.
- Retain independent counsel, accountants or others to advise the Committee or assist in the conduct of an investigation, with the Company to provide funding, as appropriate.
- Seek any information it requires from employees-all of whom are directed to cooperate with the Committee’s requests-or external parties.
- Meet with Company officers, external auditors or outside counsel, as necessary.

Composition

The Audit Committee will consist of at least three and no more than six members of the Board of Directors. The Board or its nominating committee will appoint Committee members and the Committee chair. No member of the Committee may sit on audit committees for more than two other public companies unless explicitly approved by the Board. Except as a member of this Committee or a member of the Board, no member of the Committee shall have participated in the preparation of the financial statements of the Company (or any of its subsidiaries) at any time during the past three years.

Each Committee member will be both independent within the meaning of the Nasdaq listing rules and the Securities Exchange Act of 1934, as amended, and be able to read and understand fundamental financial statements. At least one member shall be designated as the "financial expert," as defined by applicable legislation and regulation.

Compensation

Committee members may not receive any direct or indirect compensation from the Company other than as a director.

Meetings

The Committee will meet at least four times a year, with authority to convene additional meetings, as circumstances require. All Committee members are expected to attend each meeting, in person or via tele- or video-conference and will be governed by majority vote of its members. The Committee will invite members of management, auditors or others to attend meetings and provide pertinent information, as necessary. It will hold private meetings with auditors (see below) and executive sessions. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Minutes will be prepared.

Responsibilities

The Committee will carry out the following responsibilities:

Financial Statements

- Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- Review with management and the external auditors the results of the audit, including any difficulties encountered.
- Review the annual financial statements, and consider whether they are complete, consistent with information known to Committee members, and reflect appropriate accounting principles.
- Review other sections of the annual report and related regulatory filings before release and consider the accuracy and completeness of the information.
- Review with management and the external auditors all matters required to be communicated to the Committee under generally accepted auditing standards.
- Understand how management develops interim financial information and the nature and extent of internal and external auditor involvement.
- Review interim financial reports with management and the external auditors before filing with regulators and consider whether they are complete and consistent with the information known to Committee members.
- Discuss with management the earnings press releases, including the use of "pro forma" or other "non-GAAP financial measures," as well as financial information and earning guidance provided to analysts and rating agencies.

- Prepare the disclosures required by Item 407(d)(3)(i) of Regulation S-K.

Internal Control

- Consider the effectiveness of the company's internal control system, including information technology security and control.
- Understand the scope of internal and external auditors' review of internal control over financial reporting and obtain reports on significant findings and recommendations, together with management's responses.

Internal Audit

- Review with management and the chief audit executive the activities of the internal audit function.
- Have final authority to review and approve the annual audit plan and all major changes to the plan.
- Review the effectiveness of the internal audit function and ensure there are no unjustified restrictions or limitations.
- Meet with the audit executive and the CFO together or separately if necessary.

External Audit

- Review the external auditors' proposed audit scope and approach, including coordination of audit effort with internal audit.
- Review the performance of the external auditors, exercise final approval on the appointment or discharge of the auditors, and ensure the rotation of audit partners as required.
- Review and confirm the independence of the external auditors by obtaining formal written statements from the auditors on relationships between the auditors and the Company, including non-audit services, actively engage in a dialogue with the auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the auditor, and take, or recommend that the Board take, appropriate action to oversee the independence of the external auditors.
- On a regular basis, meet separately with the external auditors to discuss any matters that the Committee or auditors believe should be discussed privately.

Compliance

- Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of noncompliance.
- Review the findings of any examinations by regulatory agencies and any auditor observations.
- Review the process for communicating the Code of Conduct to company personnel and for monitoring compliance therewith.

- Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting and auditing matters. Review any such significant complaints or concerns.
- Review and approve all related party transactions, defined as those transactions required to be disclosed under Items 404(a) and 404(b) of Regulation S-K and NASDAQ Corporate Governance Rule 5630(a-b), with the Company's executive officers, directors, nominees for election as a director, beneficial owners of more than 5% of any class of common stock or any member of the immediate family of any of the foregoing persons.
- Obtain regular updates from management and company legal counsel regarding compliance matters.

Reporting Responsibilities

- Regularly report to the Board of Directors about Committee activities, issues and related recommendations.
- Provide an open avenue of communication between internal audit, the external auditors and the Board of Directors.
- Report annually to the shareholders, describing the Committee's composition, responsibilities and how they were discharged, and any other information required by rule, including approval of non-audit services.
- Review any other reports the Company issues that relate to Audit Committee responsibilities.

Other Responsibilities

- Discuss the Company's major financial and other significant risk exposures and the steps management has taken to monitor and control or mitigate such exposures or deficiencies. Discuss the Company's risk assessment and risk management policies.
- Perform other activities related to this charter as requested by the Board of Directors.
- Institute and oversee special investigations as needed.
- Review and assess the adequacy of the Committee charter annually, requesting Board approval for proposed changes, and ensure appropriate disclosure as may be required by law or regulation.
- Review the performance of and succession planning of the financial and accounting personnel as a group.
- Review and concur with the Board in the appointment, replacement, reassignment or dismissal of the Chief Financial Officer and provide oversight with respect to the accounting and finance department generally, including any internal auditing functions.
- Review with management and the chief audit executive the charter, staffing and organizational structure of the internal audit function on an annual basis.

- Review and approve the appointment, replacement, reassignment or dismissal of the chief audit executive and at least once per year, review the performance of the chief audit executive and concur with the annual compensation and salary adjustment.
- Recommend to the Board policies for the Company's hiring of employees or former employees of the independent auditor.
- Confirm annually that all responsibilities outlined in this charter have been carried out.
- Evaluate the committee's and individual members' performance on an annual basis.

Limitations

While the Audit 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 GAAP. This is the responsibility of management and the independent auditors.