

Charter of the Audit Committee of the Board of Directors of Franchise Group, Inc

(Revised and effective as of September 3, 2020)

I. STATUS

The Audit Committee (the “Committee”) is a committee of the Board of Directors (the “Board”) of Franchise Group, Inc. For purposes of this Charter, the “Company” means Franchise Group, Inc. and all of its operating subsidiaries.

II. PURPOSE

The purpose of the Committee is to assist the Board’s oversight of:

1. the quality and integrity of the Company’s accounting and financial reporting processes and the Company’s financial statements;
2. the Company’s independent auditors’ qualifications and independence;
3. the performance of the Company’s independent auditors and the Company’s internal audit function;
4. the Company’s compliance with legal and regulatory requirements; and
5. the Company’s systems of disclosures controls and procedures, and internal controls over financial reporting.

The Committee is also responsible for:

1. preparing a report for inclusion in the Company’s annual proxy statement, in accordance with applicable law, regulation and listing standards, including the rules of the Securities and Exchange Commission (the “SEC”);
2. and assisting the Board in such other duties, responsibilities and activities as may be directed by the Board.

III. COMPOSITION

The Committee shall consist of not less than three members, all of whom must be members of the Company's Board. Each member of the Committee shall be appointed by the Board upon the recommendation of the Nominating Committee and shall serve for such term or terms as the Board may determine and until their successors shall be duly qualified and appointed. Each member of the Committee shall satisfy the independence requirements of The NASDAQ Stock Market, Section 10A(m)(3) of the Securities Exchange Act of 1934 (the "Exchange Act") and the rules and regulations promulgated by the SEC and must not have participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the past three years. To ensure that each Committee member can devote the appropriate time to his/her oversight role, each member is limited to serving simultaneously on the audit committees of no more than three public companies. All members must be able to read and understand fundamental financial statements. At least one member shall be an "audit committee financial expert" in compliance with criteria established by the SEC. The existence of such a member, including his or her name and whether or not he or she is independent, shall be disclosed in periodic filings as required by the SEC. Vacancies on the Committee shall be filled by majority vote of the Board at the next meeting of the Board following the occurrence of the vacancy. The members of the Committee may be removed by a majority vote of the Board. Committee members may not receive any direct or indirect compensation from the Company other than as a director.

The Board shall designate one member of the Committee as its Chairman.

IV. AUTHORITY

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

1. 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 Committee, for payment of such compensation to the independent auditor for the purpose of preparing or issuing an audit report or performing other

audit, review or attest services for the Company. The independent auditor shall report directly to the Committee.

2. Resolve any disagreements between management and the independent auditor regarding financial reporting.
3. The Chairman of the Committee or the Committee shall pre-approve all auditing and any permissible non-audit services (including the fees and terms thereof) to be performed for the Company by its independent auditor, subject to the de minimis exception for permitted non-audit services described in Section 10A(i)(1)(B) of the Exchange Act which are approved by the Committee prior to the completion of the audit. In the event that the Chairman of the Committee provides such approval, the Committee shall ratify that action at its next meeting.
4. 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.
5. Seek any information it requires from employees-all of whom are directed to cooperate with the Committee's requests-or external parties.
6. Meet with Company officers, independent auditors or outside counsel periodically.
7. To the extent necessary or appropriate, provide for continuing education and training opportunities for Committee members regarding financial reporting and accounting and regulatory developments.

V. MEETINGS

The Committee shall meet at least four times a year, with authority to convene additional meetings, as circumstances require, at a time and place determined by the Committee Chairman, with further meetings to occur, or actions to be taken by unanimous written consent, when deemed necessary or desirable by the Committee or its Chairman. All Committee members are expected to attend each meeting, in person or via tele- or video-conference and shall be governed by majority vote of its members. The Committee may invite members of management, auditors or others to attend meetings and provide pertinent information, as necessary. It shall hold private meetings with auditors (see below) and executive sessions, as necessary. Meeting

agendas shall be prepared and provided in advance to members, along with appropriate briefing materials.

The Committee shall generally report to the Board at the next regularly scheduled Board meeting following a Committee meeting regarding the execution of its duties and responsibilities and shall keep written minutes of its meetings. Minutes shall be maintained with the books and records of the Board by the Legal Department or outside counsel.

VI. RESPONSIBILITIES

The Committee shall carry out the following responsibilities:

Financial Statements and Disclosure Matters

1. 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.
2. Review with management and the independent auditors the results of the audit, including any difficulties encountered.
3. Review the annual audited financial statements, including disclosures made in management's discussion and analysis of financial condition and results of operations, and consider whether they are complete, consistent with information known to Committee members, and reflect appropriate accounting principles. Recommend to the Board whether the audited financial statements should be included in the Company's annual report on Form 10-K.
4. Review other sections of the annual report and related regulatory filings before release and consider the accuracy and completeness of the information.
5. Review with management and the independent auditors all matters required to be communicated to the Committee under generally accepted auditing standards.
6. Understand how management develops interim financial information and the nature and extent of internal and independent auditor involvement.
7. Review and discuss interim quarterly financial reports with management and the independent auditors before filing with regulators

and consider whether they are complete and consistent with information known to the Committee.

8. Periodically discuss with management the earnings press releases, including the use of "pro forma," other "non-GAAP financial measures" and other key operational measures, as well as financial information and earning guidance provided to analysts and rating agencies. Such discussion may be done generally (consisting of discussing the types of information to be disclosed and the types of presentations to be made). For the avoidance of doubt, this does not require the Committee to pre-approve specific earnings press releases, financial information or earnings guidance on a quarterly basis.
9. Prepare disclosures required by Item 407(d)(3)(i) of Regulation S-K.
10. Approve all financial public disclosures made by the Company, with outside counsel consultation as appropriate.

VII. INTERNAL CONTROL

1. Consider the effectiveness of the Company's internal control system, including information technology security and control.
2. Review and discuss with the independent auditor the Company's internal controls over financial reporting, including any major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies, and the adequacy of the Company's financial reporting process, and receive from the independent auditors the reports required by the SEC.
3. Understand the scope of internal and independent auditors' review of internal control over financial reporting and obtain reports on significant findings and recommendations, together with management's responses.

VIII. INTERNAL AUDIT

1. Review with internal audit and accounting management the activities of the internal audit function.
2. Have final authority to review and approve the annual audit plan and all major changes to the plan.

3. Review the effectiveness of the internal audit function and ensure there are no unjustified restrictions or limitations.
4. Review the regular internal reports to management (or summaries thereof) prepared by internal audit, as well as management's response.
5. Meet with internal audit management and the Chief Financial Officer ("CFO") together or separately on a regular basis.

IX. INDEPENDENT AUDIT

1. Be directly responsible, in its capacity as a committee of the Board, for the appointment, compensation, retention and oversight of the work of the independent auditor.
2. Review the independent auditors' proposed audit scope and approach, including coordination of audit effort with internal audit.
3. Review the qualifications and performance of the independent auditors, exercise final approval on the appointment or discharge of the auditors, and ensure the rotation of audit partners as required by law. Consider whether, in order to assure continuing auditor independence, it is appropriate to adopt a policy of rotating the independent auditing firm on a regular basis.
4. Review and confirm the independence of the independent auditors by obtaining formal written statements from the auditors on relationships between the auditors and the Company, including whether the auditor's provision of permitted non-audit services is compatible with maintaining the auditor's independence, 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 independent auditor.
5. Evaluate the adequacy of the internal quality controls of the independent auditor, including obtaining and reviewing a report from the independent auditor at least annually regarding (a) the independent auditor's internal quality-control procedures, (b) 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 (c) any steps taken to deal with any such issues.

6. Discuss with the independent auditor the Critical Accounting Matters and auditor tenure as required to be reported by Public Company Accounting Board Audit Standard No. 3101.
7. On a regular basis, meet separately with the independent auditors to discuss any matters that the Committee or auditors believe should be discussed privately.

X. COMPLIANCE

1. 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.
2. Review the findings of any examinations by regulatory agencies and any auditor observations.
3. Establish procedures for the receipt, retention and treatment of complaints and concerns received by the Company regarding accounting, internal accounting controls or auditing matters.
4. Review and approve all related party transactions, defined as those required to be disclosed under Items 404(a) and (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 stock or any member of the immediate family of any of the foregoing persons.
5. Obtain regular updates from management and company legal counsel regarding compliance matters.

XI. REPORTING RESPONSIBILITIES

1. Regularly report to the Board of Directors about Committee activities, issues and related recommendations.
2. Provide an open avenue of communication between internal audit, the independent auditors and the Board.
3. Report annually to the stockholders in the Company's annual proxy statement, describing the Committee's composition, responsibilities

and how they were discharged, and any other information required by rule, including approval of non-audit services.

4. Discuss, with management and the internal auditors, management's process for assessing the effectiveness of internal control over financial reporting under Section 404 of the Sarbanes-Oxley Act, including any material weaknesses or significant deficiencies identified.
5. Discuss with management its process for performing its required quarterly certifications under Section 302 of the Sarbanes-Oxley Act, including the evaluation of the effectiveness of disclosure controls by internal audit management and CFO.
6. Review any other reports the Company issues that relate to Audit Committee responsibilities.

XII. OTHER RESPONSIBILITIES

1. 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.
2. Perform other activities related to this charter as requested by the Board.
3. Institute and oversee special investigations as needed.
4. Review and assess the adequacy of the Committee charter annually, recommending any proposed changes to the Board for approval, and ensure appropriate disclosure as may be required by law or regulation.
5. Review the performance of and succession planning of the financial and accounting personnel as a group.
6. Review and concur with the Board in the appointment, replacement, reassignment or dismissal of the CFO and provide oversight with respect to the accounting and finance department generally, including any internal auditing functions.
7. Review with internal audit and accounting management the charter, staffing and organizational structure of the internal audit function on an annual basis.
8. Review and approve the appointment, replacement, reassignment or dismissal of internal audit management and at least once per year,

review the performance of internal audit management and concur with the annual compensation and salary adjustment.

9. Recommend to the Board policies for the Company's hiring of employees or former employees of the independent auditor.
10. Confirm annually that all responsibilities outlined in this charter have been carried out.
11. Evaluate the committee's and individual members' performance on an annual basis.
12. Receive and review reports from operating subsidiaries.
13. Approve any material amendments to the Liberty Tax Service Area Developer agreement and Franchise agreement.

XIII. LIMITATIONS

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