



## AUDIT COMMITTEE CHARTER

Effective as of January 6, 2021

### PURPOSE AND MISSION

The purpose of the Audit Committee (the "Committee") of the Board of Directors (the "Board") of Driven Brands Holdings Inc. (the "Company") is to provide assistance to the Board in fulfilling its legal and fiduciary obligations with respect to matters involving the accounting, auditing, financial reporting, internal control, risk management and legal compliance functions of the Company. This includes, without limitation, (a) assisting the Board's oversight of (i) the integrity of the Company's financial statements, (ii) the Company's compliance with legal and regulatory requirements, (iii) the Company's independent registered public accounting firms qualifications and independence and (iv) the performance of the Company's independent registered public accounting firm and the Company's internal audit function, and (b) preparing the report required to be prepared by the Committee pursuant to the rules of the Securities and Exchange Commission (the "SEC") for inclusion in the Company's annual proxy statement.

### COMPOSITION OF THE COMMITTEE

The Committee shall be comprised of three or more independent directors as determined from time to time by resolution of the Board. Each member of the Committee shall be qualified to serve on the Committee pursuant to the requirements of the National Association of Securities Dealers Automated Quotations Exchange (the "NASDAQ") and the Securities Exchange Act of 1934 (the "Exchange Act") (together, "Applicable Requirements"), as the Board interprets such requirements in its business judgment and the rules and regulations promulgated by the SEC pursuant to the Exchange Act.

The chairperson of the Committee shall be designated by the Board on the recommendation of the Nominating and Corporate Governance Committee, provided that if the Board does not so designate a chairperson, the members of the Committee, by majority vote, may designate a chairperson. The members of the Committee shall be appointed by the Board on the recommendation of the Nominating and Corporate Governance Committee. At a minimum one member of the Committee must be "financially literate," as the Board interprets such qualification in its business judgment, or must become financially literate within a reasonable period of time after his or her appointment to the Committee. In addition, at least one member of the Committee must have "accounting or related financial management expertise", as the Board interprets such qualification in its business judgment. Further, at least one member of the Committee must be an "audit committee financial expert", as such term is defined in the Exchange Act, as the Board interprets such qualification in its business judgment.

Vacancies on the Committee shall be filled, and members of the Committee may be removed, at any time by action of the Board. Newly appointed members will receive a timely orientation enabling them to understand their role and the responsibilities of the Committee. Additionally,

all members will have access to continuing education on business and accounting developments. No Committee member shall simultaneously serve on the audit committees of more than two other public companies, unless the Board determines that such simultaneous service does not impair the ability of such member to effectively serve on the Committee and such determination is disclosed in accordance with Applicable Requirements.

The Committee may form and delegate authority to subcommittees from time to time as it sees fit, provided that the subcommittees are composed entirely of directors who satisfy the applicable independence requirements of the Company's corporate governance guidelines and the Applicable Requirements.

#### **MEETINGS OF THE COMMITTEE**

The Committee shall meet once every fiscal quarter or more frequently as it shall determine is necessary to carry out its duties and responsibilities. The Committee, in its discretion, may ask members of management, any directors or others to attend its meetings (or portions thereof) and to provide pertinent information as necessary. The Committee should meet separately on a periodic basis with each of (i) management (including the Chief Financial Officer and General Counsel), (ii) the head of the Company's internal audit department and (iii) the Company's independent registered public accounting firm, in each case to discuss any matters that the Committee or any of the above persons or firms believes should be discussed privately.

Meetings shall be called by the chairperson of the Committee or, if there is no chairperson, by a majority of the members of the Committee.

A majority of the members of the Committee present in person or by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other shall constitute a quorum.

The Committee shall maintain minutes of its meetings and records relating to those meetings and provide copies of such minutes to the Board. The Committee may take actions by unanimous written consent and if such actions are taken shall provide the consent to the Board.

#### **DUTIES AND RESPONSIBILITIES OF THE COMMITTEE**

Although the Committee has the powers and responsibilities set forth in this Charter, the role of the Committee is oversight. Consequently, it is not the duty of the Committee to conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with Generally Accepted Accounting Principles ("GAAP") and other applicable requirements. These are the responsibilities of management and the Company's independent registered public accounting firm.

In carrying out its duties and responsibilities, the Committee's policies and procedures should remain flexible, so that it may be in a position to best react or respond to changing circumstances or conditions. The following are within the authority of the Committee:

- (a) Obtain and review at least annually the Company's risk assessment, internal audit plan, and internal audit budget;
- (b) Review with the head of internal audit the staffing, audit procedures to be utilized and the coordination of the plan with the independent registered public accounting firm. During this review the independence, objectivity and authority of the internal audit department will be assessed;
- (c) Review results of internal audits and the remediation status of audit findings quarterly. Additionally, periodically review with the head of internal audit any significant difficulties, disagreements with management or scope restrictions encountered in the course of the internal audit department's work;
- (d) Review and advise on the selection or removal of the head of internal audit. Additionally, review activities, organizational structure and qualifications of the internal audit department;
- (e) Annually, review and recommend changes (if any) to the internal audit charter;
- (f) In its sole discretion, appoint, retain, oversee and determine the compensation of the Company's independent registered public accounting firm to audit the books and accounts of the Company for each fiscal year and instruct the Company's independent registered public accounting firm that they are ultimately accountable to the Committee;
- (g) Approve the Company's independent registered public accounting firms' annual engagement letter as well as all audit and non-audit engagements and relationships between the Company and such auditors, and pre-approve all audit and non-audit services to be performed by the Company's independent registered public accounting firm subject to such procedures as may be established by the Committee. The Committee delegates to the chairperson of the Committee the authority to grant such pre-approvals between Committee meetings;
- (h) Review the performance of the Company's independent registered public accounting firm, including the lead partner of the firm, and, in its sole discretion, make decisions regarding the replacement or termination of the Company's independent registered public accounting firm when circumstances warrant;
- (i) Obtain and review all reports and communications required to be submitted by the Company's independent registered public accounting firm to the Committee by the Public Company Accounting Oversight Board ("PCAOB") and the Applicable Requirements, including at least annually the report of the Company's independent registered public accounting firm describing:

- a. the Company's independent registered public accounting firms' internal quality-control procedures;
  - b. any material issues raised by the most recent internal quality-control review, by a peer review or by any inquiry or investigation by any governmental or professional authority of the Company's independent registered public accounting firm, within the preceding five years, respecting one or more independent audits carried out by the Company's independent registered public accounting firm, and any steps taken to deal with any such issues; and
  - c. all relationships between the Company's independent registered public accounting firm and the Company (including a description of each category of services provided by the Company's independent registered public accounting firm to the Company and a list of the fees billed for each such category);
- (j) The Committee should present its conclusions with respect to the above matters, as well as its review of the lead partner of the Company's independent registered public accounting firm, to the Board, including whether rotation of the lead partner or independent registered public accounting firm may be appropriate;
- (k) Oversee the independence of the Company's independent registered public accounting firm by, among other things, actively engaging in a dialogue with the Company's independent registered public accounting firm with respect to any disclosed relationships or services that may impact the objectivity and independence of the Company's independent registered public accounting firm and taking appropriate action to satisfy it of the auditors' independence.
- (l) Review and approve the annual audit plan of the Company's independent registered public accounting firm, including the scope of the audit, and monitor such plan's progress and results during the year;
- (m) Review the results of the year-end audit of the Company by the Company's independent registered public accounting firm, including any significant matters regarding internal controls over financial reporting that have come to their attention during the conduct of their audit;
- (n) Review and discuss with management and the Company's independent registered public accounting firm the Company's annual audited financial statements and Management's Discussion and Analysis disclosures, prior to including within the Company's Annual Report on Form 10-K;
- (o) Review and discuss with management and the Company's independent registered public accounting firm, the Company's quarterly financial statements, Management's Discussion and Analysis disclosures and the results

of the Company's independent registered public accounting firm's review of the quarterly financial statements prior to including within the Company's Quarterly Reports on Form 10-Q;

- (p) Review the Company's quarterly earnings press releases (especially the use of "pro forma" or "adjusted" information for compliance with generally accepted accounting principles), as well as financial information and earnings guidance provided by the Company to analysts and rating agencies. This will generally be before the scheduled releases and such discussions may be general consisting of discussing the types of information to be disclosed and the types of presentations to be made;
- (q) Recommend to the Board whether the Company's annual audited financial statements should be included in the Company's annual report for filing with the SEC and timely prepare the report required by the SEC to be included in the Company's annual proxy statement, if applicable, and any other reports of the Committee required by any Applicable Requirement;
- (r) Review with management, the Company's independent registered public accounting firm and the head of the Company's internal audit department, the following:
  - a. critical accounting policies and such other accounting policies of the Company as are deemed appropriate for review by the Committee prior to any filings with the SEC or other regulatory body, including any financial reporting issues which could have a material impact on the Company's financial statements;
  - b. major issues regarding, or any significant changes in, the Company's selection or application of accounting standards and principles and the Company's financial statement preparations;
  - c. alternative treatments of financial information that have been discussed by the Company's independent registered public accounting firm and management, ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the auditors;
  - d. all other material written communications between the Company's independent registered public accounting firm and management; and
  - e. the effect of off-balance sheet structures, sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the Company with unconsolidated entities or other persons on the financial statements of the Company;

- (s) Review with the chief executive officer and chief financial officer and Company's independent registered public accounting firm, quarterly, the following:
  - a. all significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarize, and report financial data, including any material weaknesses in internal controls identified by the Company's management, internal audit or independent registered public accounting firm; and
  - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls;
- (t) Review the internal control report prepared by management, including (i) management's assessment of the effectiveness of the Company's internal control over financial reporting and the Company's independent registered public accounting firm's attestation, and report, on the assessment made by management, in each case, as and when required by Section 404 of the Sarbanes-Oxley Act of 2002 and (ii) any significant changes in internal controls over financial reporting disclosed or considered for disclosure in periodic filings with the SEC as required by the certifications required under Section 302 of the Sarbanes-Oxley Act of 2002, including any corrective actions with regard to significant deficiencies and material weaknesses;
- (u) Review on a regular basis with the Company's independent registered public accounting firm any major issues or serious difficulties encountered by the Company's independent registered public accounting firm in the course of any audit work, including management's response with respect thereto, any restrictions on the scope of the Company's independent registered public accounting firm's activities or on access to requested information, and any significant disagreements with management. In connection therewith, the Committee should review with the Company's independent registered public accounting firm the following:
  - a. any accounting adjustments that were noted or proposed by the Company's independent registered public accounting firm but were rejected by management;
  - b. any significant identified errors in current or previously issued financial statements, including management's handling of these misstatements,
  - c. any management conclusions regarding the need for restatement;

- d. any significant consultations on matters with the Company’s independent registered public accounting firm’s national office regarding auditing or accounting issues’ that are otherwise required to be disclosed to the Committee made with the Company’s independent registered public accounting firm’s national office respecting auditing or accounting issues’ and
  - e. any “management” or “internal control” letter issued by the Company’s independent registered public accounting firm to the Company;
- (v) Periodically discuss with the Company’s independent registered public accounting firm, without management being present, (a) their judgment about the quality, integrity and appropriateness of the Company’s accounting principles and financial disclosure practices as applied in its financial reporting and (b) the completeness and accuracy of the Company’s financial statements;
- (w) Review management estimates that have a material impact on the financial statements and understands the reasonableness of the underlying assumptions and outcomes;
- (x) Discuss with management substantive reasons for significant changes in financial results between reporting periods and significant variances from budget and ensures explanations are consistent with its understanding of the Company’s performance;
- (y) Discuss significant, complex or unusual transactions (such as swaps, derivatives or off-balance sheet transactions) with management and the Company’s independent registered public accounting firm;
- (z) Receive periodic reports from management to assess the impact on the Company of significant accounting or financial reporting developments that may have a bearing on the Company;
- (aa) Understand how management and the external auditors evaluate materiality, both quantitatively and qualitatively, for financial reporting purposes;
  - a. focusing its review of financial reporting on “material” areas requiring significant management judgment or that are more susceptible to error or fraud. This includes those areas identified as critical audit matters (CAMs) by the external auditors;
- (bb) Establish and maintain free and open means of communication between and among the Board, the Committee, the Company’s independent registered public accounting firm, the Company’s internal audit department and

management, including providing such parties with appropriate opportunities to meet separately and privately with the Committee on a quarterly basis;

- (cc) Establish clear hiring policies by the Company for employees or former employees of the Company's independent registered public accounting firm, as needed;
- (dd) Discuss and oversee policies governing the process by which senior management of the Company assess and manage the Company's risk exposure. Including the following:
  - a. management's identification, monitoring and evaluation of the Company's major financial and other risk exposures including operational, legal, regulatory, business, commodity, major project, strategic, credit, liquidity, derivative, reputation and external risks;
  - b. the development of the Company's enterprise risk management policies and procedures including limits and tolerances, risk roles and responsibilities, risk mitigation decisions and risk related assumptions;
  - c. implementation of policies and procedures ensuring the Company's risks are identified and that controls are adequate, in place and functioning properly;
  - d. review the Company's fraud risk assessment program and controls to mitigate fraud;
  - e. report regularly to the Board on the Company's enterprise risk management program;
- (ee) Meet at least annually with the general counsel, and outside counsel when appropriate, to review legal and regulatory matters, including any matters that may have a material impact on the financial statements of the Company;
- (ff) Review the Company's compliance and ethics programs, including the Company's Code of Conduct and Ethics, and meet quarterly with the Company's general counsel to discuss compliance with the Code of Conduct and Ethics, ensure management makes the Code of Conduct and Ethics available to employees and understand completion of annual/periodic training/certification across employee groups;
- (gg) Establish procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal controls or auditing matters, and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;



- (hh) Understand the risks of bribery and corruption and how management is mitigating those risks and is prepared to take charge when needed to oversee an investigation (for possible fraud or illegal acts);
- (ii) Secure independent expert advice to the extent the Committee determines it to be appropriate, including retaining independent counsel, accountants, consultants or others, to assist the Committee in fulfilling its duties and responsibilities, the cost of such independent expert advisors to be borne by the Company;
- (jj) Conduct or authorize investigations into or studies of matters within the Committee's scope of responsibilities, and retain, at the Company's expense, such independent counsel or other advisers as it deems necessary;
- (kk) Review and approve or disapprove all proposed transactions with executive officers and directors that require Committee review in accordance with the Company's Code of Conduct and Ethics, including waivers. No member of the Committee having an interest in a transaction being reviewed shall participate in any decision regarding such transaction;
- (ll) Develop and recommend to the Board for approval policies and procedures for the review, approval or ratification of related person transactions required to be disclosed pursuant to Item 404 of Regulation S-K, as may be amended from time to time, and any other applicable requirements (the "Related Person Transactions Policy"). Review the Related Person Transactions Policy at least annually and recommend to the Board for approval any changes to the Policy. Oversee the implementation of and compliance with the Related Person Transactions Policy, including reviewing, approving or ratifying related person transactions, as appropriate pursuant to the Related Person Transaction Policy;
- (mm) Prepare and review with the Board an annual performance evaluation of the Committee, which evaluation must compare the performance of the Committee with the requirements of this Charter, and set forth the goals and objectives of the Committee for the upcoming year. The evaluation should include a review of the adequacy of the Committee's Charter and recommendations to the Board regarding any amendments that conditions dictate, that are necessary as a result of new laws or regulations or as the Audit Committee otherwise deems necessary or advisable. The Charter including all suggested updates should be formally approved by the Board. The performance evaluation by the Committee shall be conducted in such manner as the Committee deems appropriate. The report to the Board may take the form of an oral report by the chairperson of the Committee or any other member of the Committee designated by the Committee; and

- (nn) Perform any other activities consistent with this Charter, the Company's bylaws and governing law, as the Committee or the Board deems necessary or appropriate.