



Victory Capital Holdings, Inc.

Audit Committee Charter

February 7, 2018

This Charter (the “Charter”) sets forth the purpose, composition, responsibilities and processes of the Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of Victory Capital Holdings, Inc. (the “Company”).

Committee Purposes

The purposes of the Committee are to assist the Board in its oversight of the accounting and financial reporting policies and practices of the Company as they relate to:

- the integrity of the financial statements of the Company,
- the compliance and internal controls of the Company with respect to accounting standards, financial reporting procedures and applicable laws and regulation,
- the performance of the Company’s internal audit function (if required by applicable law or NASDAQ listing standards),
- oversee the Company’s Related Persons Transaction Policy,
- the evaluation of the qualifications, independence and performance of the independent auditor (the “Independent Auditor”) of the Company, and
- the compliance by the Company with financial disclosure and reporting requirements, including the preparation of an audit committee report as required by the rules of the Securities and Exchange Commission (the “Commission”) for inclusion in the Company’s annual proxy statement.

Membership

The Committee shall consist of a minimum of three directors. Members of the Committee shall be appointed by the Board upon the recommendation of the Nominating and Governance Committee and may be removed by the Board in its discretion. The Board will appoint one of the members of the Committee to serve as Chairman (“Chair”).

Members of the Committee shall be independent directors under NASDAQ Stock Market’s (“NASDAQ”) listing requirements and Rule 10A-3 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). The Board shall also determine that each member is “financially literate,” and that at least one member of the Audit Committee has “accounting or related financial management expertise,” as such qualifications are interpreted by the Board in its business judgment, and that at least one member of the Committee is an “audit committee financial expert,” as defined by the rules of the Commission in Item 407(d)(5)(ii) of Regulation S-K.

If the Board has determined that a member of the Committee is an audit committee financial expert, it may presume that such member has accounting or related financial management expertise.

Members of the Committee shall not simultaneously serve on the audit committees of more than two other public companies, unless the Board determines that such simultaneous service would not impair the ability of such member to effectively serve on the Committee. Any such determination shall be disclosed in the Company's annual proxy statement.

Administration

The Committee shall meet as often as its members deem necessary to perform the Committee's responsibilities. Meetings shall occur at a time and place determined by the Chair and actions may be taken by unanimous written consent when deemed necessary or desirable by the Committee or the Chair. The Chair or a majority of the members of the Committee may call special meetings of the Committee. The Committee shall maintain minutes of its meetings and records relating to those meetings and the Committee's activities.

Except as otherwise provided by resolution of the Board or the Committee, the presence in person or by means of conference call or similar communications equipment of a majority of the Committee's members shall constitute a quorum for any meeting of the Committee. Members of the Committee may participate in a meeting of the Committee by means of conference call or similar communications equipment by means of which all persons participating in the meeting can hear each other.

The Committee may delegate to the Chair or other members such powers and authority as the Committee deems to be appropriate, except such powers and authority required by law to be exercised by the whole Committee.

The Committee shall meet periodically with management, representatives of the Independent Auditor and the Company's own internal audit team in carrying out its duties and responsibilities, but shall also meet regularly without such persons present.

Committee Duties and Responsibilities

The Committee shall report regularly to the Board regarding its actions and make recommendations to the Board as appropriate. In addition to all other duties and responsibilities set forth in this Charter or otherwise necessary for the Committee to fulfill its purpose, the Committee shall also have the following duties and responsibilities:

Financial Statement and Disclosure Matters

Review and discuss with management and the Independent Auditor:

- the Company’s annual audited financial statements, including reviewing the Company’s specific disclosures made in management’s discussion and analysis, and recommend to the Board whether the audited financial statements should be included in the Company’s Form 10-K,
- the Company’s quarterly financial statements, including reviewing the Company’s specific disclosures made in management’s discussion and analysis, prior to the filing of its Form 10-Q, including the results of the Independent Auditor’s review of the quarterly financial statements,
- significant financial reporting issues and judgments made in connection with the preparation of the Company’s financial statements, including any significant changes in the Company’s selection or application of accounting principles,
- the adequacy of the Company’s internal controls and any special steps adopted in light of material control deficiencies, if any,
- the Company’s internal controls report and the Independent Auditor’s report on internal control over financial reporting prior to the filing of the Company’s Form 10-K, and
- the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company’s financial statements.

Obtain from the Independent Auditor in connection with any audit, a timely report relating to the Company’s annual audited financial statements describing:

- all critical accounting policies and practices to be used,
- all alternative treatments of financial information within generally accepted accounting principles (“GAAP”) that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the Independent Auditor,
- the adequacy of the Company’s internal controls and internal audit function (if required by applicable law or NASDAQ listing standards),
- other material written communications between the Independent Auditor and management, such as any management letter or schedule of unadjusted differences, and
- compliance with applicable generally accepted auditing standards relating to the Independent Auditor’s conduct of the annual audit, quarterly review, difficulties encountered in the course of audit or review, restrictions on scope of activities or access to requested information and significant disagreements with management, if any.

Review and discuss with management:

- the Company’s earnings press releases, including the use of “pro forma” or “adjusted” non-GAAP information,
- the financial information and earnings guidance provided by the Company to analysts and rating agencies, where such discussions may be done generally (consisting of discussing the types of information to be disclosed and the types of presentations to be made),
- the Company’s major financial risk exposures and the steps management has taken to monitor and control such exposures, and
- the Company’s risk assessment and risk management policies.

Oversight of the Company's Relationship with the Independent Auditor

Appoint, compensate, retain, and oversee the work of and terminate, as necessary, an independent registered public accounting firm (including resolution of disagreements between management and such accounting firm regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, as the Company's Independent Auditor. Such Independent Auditor and any other registered public accounting firm shall report directly to the Committee.

At least annually, review and evaluate:

- the lead partner of the Independent Auditor team,
- the qualifications, performance and independence of the Independent Auditor,
- the planning and staffing of audits by the Independent Auditor,
- the Independent Auditor's quality controls,
- whether the Company's provision of permitted non-audit services is compatible with maintaining auditor independence,
- whether audit partners are rotating as required by law,
- whether a policy of rotating the Independent Auditor on a regular basis is necessary,
- whether the Company's policies for hiring employees or former employees of the Independent Auditor who participated in any capacity in the audit of the Company is compatible with maintaining auditor independence, and
- any relationships or services that may impact the quality of audit services or the objectivity and independence of the Independent Auditor, as disclosed in the Auditor's Statement.

Pre-approve, or adopt appropriate procedures to pre-approve, all audit and non-audit services and fees (other than "prohibited non-audit services", as defined below) to be provided by the Independent Auditors or other registered public accounting firm:

- the following shall be "prohibited non-audit services": (1) bookkeeping or other services related to the accounting records or financial statements of the Company; (2) financial information systems design and implementation; (3) appraisal or valuation services, fairness opinions or contribution-in-kind reports; (4) actuarial services; (5) internal audit outsourcing services; (6) management functions or human resources; (7) broker or dealer, investment adviser or investment banking services; (8) legal services and expert services unrelated to the audit; and (9) any other service that the Public Company Accounting Oversight Board (United States) (the "PCAOB") prohibits through regulation, and
- notwithstanding the foregoing, pre-approval is not necessary for minor non-audit services if: (1) the aggregate amount of such non-audit services provided to the Company during a fiscal year does not constitute more than three percent of the total amount of revenues paid by the Company to the Independent Auditor or such other amount determined by the Committee during such fiscal year; (2) such services were not recognized by the Company at the time of the engagement to be non-audit services; and (3) such services are promptly brought to the attention of the Committee and approved prior to the

completion of the audit by the Committee or by one or more members of the Audit Committee to whom authority to grant such approvals has been delegated by the Committee.

Obtain and review, at least annually, a report by the Independent Auditor (the “Auditor’s Statement”) describing:

- the Independent Auditor’s internal quality control procedures,
- any material issues raised by the most recent internal quality-control review or peer review of the Independent Auditors or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, in respect of one or more independent audits carried out by the Independent Auditors, and any steps taken to deal with any such issues, and, in order to assist the Committee in assessing the Independent Auditor’s independence, and
- all relationships between the Independent Auditor and the Company, including each non-audit service provided to the Company and the matters as required to be set forth in the letter from the Independent Auditor by the applicable requirements of the PCAOB.

Oversight of the Company’s Internal Audit Function (If required by applicable law or NASDAQ listing standards)

Review and discuss with management and the internal auditor:

- the adequacy and effectiveness of the Company’s internal audit function and the appointment, compensation and replacement of the Company’s internal auditor,
- the significant reports to management prepared by the internal auditor and management’s responses to such reports, and
- the internal auditor’s responsibilities, budget, compensation and staffing and any recommended changes in the planned scope of the internal audit.

Compliance Oversight Responsibilities

- Obtain from the Independent Auditor assurance that no report to the Board is required under Section 10A(b) of the Exchange Act,
- Obtain reports from management and the Company’s internal audit function that the Company and its subsidiary/foreign affiliated entities are in conformity with applicable legal requirements and the Company’s Code of Business Conduct and Ethics (“Code of Ethics”),
- Review reports and disclosures of insider and affiliated party transactions,
- Advise the Board with respect to the Company’s policies and procedures regarding compliance with applicable laws and regulations and with the Company’s Code of Ethics,
- 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 or auditing matters,
- Receive reports of complaints, if any, regarding accounting and auditing matters,

- Discuss with management and the Independent Auditor any correspondence with regulators or governmental agencies and any published reports that raise material issues regarding the Company's financial statements or accounting policies,
- Discuss with the Company's Chief Legal Officer legal matters that may have a material impact on the Company's financial statements or the Company's compliance policies and any matters involving potential or ongoing material violations of laws or breaches of fiduciary duty by the Company or any of its directors, officers, employees or agents,
- Prepare the audit committee report to be included in the Company's proxy statement when and as required by the rules of the Commission, and
- Review disclosures made to the Committee by the Company's CEO and CFO during their certification process for Form 10-Ks and Form 10-Qs, if any, regarding any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.

Limitations of Committee's Role

The Committee's job is one of oversight as set forth in this Charter. It is not the duty of the Committee to prepare the Company's financial statements, to plan or conduct audits, or to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. The Company's management is responsible for preparing the Company's financial statements and for maintaining internal control, and the Independent Auditor is responsible for auditing the financial statements. In addition, it is not the duty of the Committee to assure compliance with laws and regulations.

In performing their duties and responsibilities, the Committee members shall be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any of the Company's officers or employees, or committees of the Board, or by any other person as to matters the members reasonably believe are within such other person's professional or expert competence, and who has been selected with reasonable care by or on behalf of the Company. In fulfilling their responsibilities hereunder, it is recognized that members of the Committee are not full-time employees of the Company and are not, and do not represent themselves to be, performing the functions of auditors or accountants. As such, it is not the duty or responsibility of the Committee or its members to conduct "field work" or other types of auditing or accounting reviews or procedures or to set auditor independence standards.

Delegation to Subcommittee

The Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee of the Committee, whether or not such delegation is specifically contemplated under any plan or program.

Use of Consultants, Legal Counsel and Advisers

The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including to select, obtain, retain, supervise, terminate and approve the fees and other retention terms of outside legal counsel, accountants, experts, consultants or other advisers, as it deems necessary or appropriate, without seeking approval of the Board or management.

The Company shall provide for appropriate funding, as determined by the Committee, in its capacity as a committee of the Board, for payment of:

- Compensation to the Independent Auditor and any other 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,
- Compensation of any counsel, experts, consultants or advisers employed by the Committee, and
- Ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

Performance Evaluation

At least annually, the Committee shall review and reassess the adequacy of this Charter, seeks its re-approval by the Board and recommend any proposed changes to the Board. The Committee shall conduct and review with the Board an annual performance evaluation of the Committee, which evaluation shall compare the performance of the Committee with the requirements of this Charter. 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 Chair or any other person designated by the Committee to make the report.