

## AUDIT COMMITTEE CHARTER

### J. ALEXANDER'S HOLDINGS, INC.

*As adopted by the Board of Directors on September 14, 2015*

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#### **Purpose**

The Audit Committee (the “*Committee*”) of the Board of Directors (the “*Board*”) of J. Alexander’s Holdings, Inc. (the “*Company*”) is established by the Board primarily for the purpose of overseeing the accounting and financial reporting processes of the Company and audits of the financial statements of the Company and to prepare an audit committee report as required by the Securities and Exchange Commission (the “*SEC*”) to be included in the Company’s annual proxy statement. The Committee is responsible for assisting the Board’s oversight of (1) the quality and integrity of the Company’s financial statements and related disclosure, (2) the Company’s compliance with legal and regulatory requirements, (3) the independent auditor’s qualifications and independence, and (4) the performance of the Company’s internal audit function and independent auditor.

#### **Composition**

1. **Members.** Subject to any permitted phase-in period under New York Stock Exchange rules, the Committee shall consist of as many members as the Board shall determine, but in any event not fewer than three members. The members of the Committee shall be appointed annually by the Board.
2. **Qualifications.** The Board shall make a good faith determination that each member of the Committee meets all applicable independence, financial literacy and other requirements of law and the New York Stock Exchange. The Board shall also determine if any member of the Committee is an “audit committee financial expert” as defined by the SEC.
3. **Chair.** The chairperson of the Committee shall be appointed by the Board (the “*Chair*”).
4. **Removal and Replacement.** The members of the Committee may be removed or replaced, and any vacancies on the Committee shall be filled, by the Board.

#### **Operations**

1. **Meetings.** The Chair of the Committee, in consultation with the Committee members, shall determine the schedule and frequency of the Committee meetings, provided that the Committee shall meet at least six times per year. The Committee shall meet separately, periodically, with management, the internal auditors (or other persons carrying on the internal audit function) (the “*Internal Auditors*”) and the independent auditor. The Committee shall also meet separately with the independent auditor at every meeting of the Committee at which the independent auditor is present.
2. **Agenda.** The Chair of the Committee shall develop and set the Committee’s agenda, in consultation with other members of the Committee, the Board and management. The agenda and information concerning the business to be conducted at each Committee meeting shall, to the extent practical, be communicated to the members of the Committee sufficiently in advance of each meeting to permit meaningful review.

3. **Report to Board.** The Committee shall report regularly to the entire Board and shall submit to the Board the minutes of its meetings.

4. **Self-Evaluation; Assessment of Charter.** The Committee shall conduct an annual performance self-evaluation and shall report to the entire Board the results of the self-evaluation. The Committee shall assess the adequacy of this Charter on an annual basis and recommend any changes to the Board.

### **Authority and Duties**

#### ***Independent Auditor's Qualifications and Independence***

1. The Committee shall be directly responsible for the appointment, retention, compensation and oversight of the work of the independent auditor engaged by the Company (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or permitted related work. The independent auditor shall report directly to the Committee.

2. The Committee shall have the sole authority to preapprove any audit and non-audit services to be provided by the independent auditor, and to adopt policies and procedures in connection therewith in accordance with the applicable rules and regulations of the SEC. The Committee shall review with the lead audit partner whether any of the audit team members receive any discretionary compensation from the audit firm with respect to non-audit services performed by the independent auditor.

3. The Committee shall obtain and review with the lead audit partner and either the concurring or reviewing partner or other senior member of the audit engagement team of the independent auditor, annually or more frequently as the Committee considers appropriate, a report by the independent auditor 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 auditor, or by any inquiry, review or investigation by governmental, professional or other regulatory authorities, within the preceding five years, respecting one or more independent audits carried out by the independent auditor, and any steps taken to deal with these issues; and (to assess the independent auditor's independence) all relationships between the independent auditor and the Company. The Committee shall, in addition to assuring the regular rotation of the lead (or coordinating) audit partner and the audit partner responsible for reviewing the audit, consider whether there should be regular rotation of the audit firm.

4. The Committee shall review the experience, qualifications and performance of the senior members of the independent auditor team.

5. The Committee shall preapprove the hiring of any employee or former employee of the independent auditor who was a member of the Company's audit team during the preceding three fiscal years. In addition, the Committee shall preapprove the hiring of any employee or former employee of the independent auditor (within the preceding three fiscal years) for the following positions within the Company, regardless of whether that person was a member of the Company's audit team: Officer or Executive Officer, each as defined under applicable federal securities laws (other than secretary or treasurer), or any person who has direct responsibility for oversight over those who prepare the Company's financial statements and related information (e.g., "Management's Discussion and Analysis of Financial Condition and Results of Operations" ("**MD&A**")).

### ***Financial Statements and Related Disclosure***

6. The Committee shall review the Company's annual audited financial statements and quarterly financial statements with management and the independent auditor, including the Company's disclosures under MD&A before the filing of the Company's Form 10-K and Form 10-Q.

7. The Committee shall review with management earnings press releases before they are issued. The Committee shall review generally with management the nature of the financial information and earnings guidance provided to analysts and rating agencies.

8. The Committee shall review with the independent auditor: (a) all critical accounting policies and practices to be used by the Company in preparing its financial statements, (b) all alternative treatments of financial information within U.S. generally accepted accounting principles ("**GAAP**") that have been discussed with management, ramifications of the use of these alternative disclosures and treatments, and the treatment preferred by the independent auditor, and (c) other material communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences. In addition, the Committee shall review with the independent auditor any audit problems or difficulties and management's response, and any significant disagreements with management.

9. The Committee shall review with management, and any outside professionals as the Committee considers appropriate, the effectiveness of the Company's disclosure controls and procedures.

10. The Committee shall review with management, and any outside professionals as the Committee considers appropriate, important trends and developments in financial reporting practices and requirements and their effect on the Company's financial statements.

11. The Committee shall prepare the report required by the SEC to be included in the Company's annual proxy statement.

### ***Performance of the Internal Audit Function and Independent Auditors***

12. The Committee shall review with management, the Internal Auditors and the independent auditor the scope, planning and staffing of the proposed audit for the current year. The Committee shall also review the internal audit function's organization, responsibilities, plans, results, budget and staffing. In addition, management shall consult with the Committee on the appointment, replacement, reassignment or dismissal of the principal Internal Auditors.

13. The Committee shall review with management, the Internal Auditors and the independent auditor the quality, adequacy and effectiveness of the Company's internal controls and any significant deficiencies or material weaknesses in internal controls.

14. The Committee shall review with management the Company's policies with respect to risk assessment and risk management.

### ***Compliance with Legal and Regulatory Requirements***

15. The Committee shall review with management, and any internal or external counsel as the Committee considers appropriate, any legal matters (including the status of pending litigation) that may have a material impact on the Company and any material reports or inquiries from regulatory or governmental agencies.

16. The Committee shall review with the general counsel the adequacy and effectiveness of the Company's procedures to ensure compliance with its legal and regulatory responsibilities. The Committee shall also review the legal and compliance function's organization, responsibilities, plans, results, budget and staffing.

17. The Committee shall establish procedures for (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, auditing matters or potential violations of law and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters or potential violations of law.

18. The Committee shall obtain reports from management, the Internal Auditors and the independent auditor regarding compliance with all applicable legal and regulatory requirements, including the Foreign Corrupt Practices Act.

### ***Additional Responsibilities***

19. The Committee shall have responsibility for reviewing and approving or ratifying all related party transactions in accordance with the rules of the New York Stock Exchange, the rules and regulations of the SEC and the Company's Code of Business Conduct and Ethics. In carrying out this responsibility, the Committee shall have the authority to adopt policies and procedures to be implemented by the Company. In furtherance of the foregoing responsibility, for so long as there are outstanding units of membership interests of J. Alexander's Holdings, LLC held by any person other than the Company, and such units are eligible for exchange in accordance with Article XII of the Amended and Restated Limited Liability Company Agreement of J. Alexander's Holdings, LLC (as may be amended from time to time), the Committee shall be responsible for the determination, on behalf of the Company, or whether such units will be exchanged or purchased by the Company for cash or the issuance of shares of the Company's common stock.

The foregoing list of duties is not exhaustive, and the Committee may, in addition, perform such other functions as may be necessary or appropriate for the performance of its oversight function. The Committee shall have the power to delegate its authority and duties to subcommittees or individual members of the Committee as it deems appropriate. In discharging its oversight role, the Committee shall have full access to all Company books, records, facilities and personnel. The Committee may retain independent counsel, auditors or other advisers as it determines necessary, in its sole discretion, to carry out its duties. The Company must provide appropriate funding, as determined by the Committee, for the payment of compensation to the Company's independent auditor and any advisers employed by the Committee, as well as for ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

### **Clarification of Audit Committee's Role**

The Committee's responsibility is one of oversight. It is the responsibility of the Company's management to prepare consolidated financial statements in accordance with applicable law and regulations and of the Company's independent auditor to audit those financial statements. It is not the responsibility of the Committee to duplicate the activities of management or the independent auditor or to provide expert or special assurance as to, or otherwise certify, the Company's financial statements or internal controls, the independent auditor's work or compliance of the financial statements with GAAP. The Committee fulfills its oversight role on the basis of the information it receives from management and the independent auditor. Therefore, in carrying out its oversight responsibilities, each member of the Committee shall be entitled to rely, to the fullest extent permitted by law, on the integrity of those persons

and organizations within and outside the Company from whom he or she receives information, and the accuracy of the financial and other information provided to the Committee by such persons or organizations.