

Updated February 18, 2021

World Acceptance Corporation
AUDIT AND COMPLIANCE COMMITTEE
OF THE BOARD OF DIRECTORS
CHARTER

Purpose

The Audit and Compliance Committee is appointed to assist the Board in discharging its oversight responsibilities relating to (i) the Company's accounting, auditing, and financial reporting processes generally, including the performance and independence of the independent accountants and the audits of the Company's financial statements, (ii) the Company's systems of internal controls regarding finance and accounting, (iii) the establishment and administration of the Company's Compliance Management System ("CMS"), and (iv) the Company's risk management and compliance with legal and regulatory requirements.

Committee Membership

The Committee shall consist of three or more directors appointed by the Board upon the recommendation of the Nominating and Corporate Governance Committee to serve such terms as determined by the Board. As determined in the business judgment of the Board, (i) each Committee member shall be an independent director within the meaning of applicable laws, stock exchange and Securities and Exchange Commission ("SEC") rules and regulations and the independence standards set forth in the Company's Governance Policy, (ii) each Committee member shall have a working familiarity with basic finance, accounting practices, consumer finance laws and regulations, (iii) each Committee member will be financially literate within the meaning of applicable stock exchange regulations, and (iv) at least one member of the Committee shall be an "audit committee financial expert" as defined by the SEC. Committee members may enhance their familiarity with finance and accounting and consumer finance laws and regulations by participating in educational programs conducted by the Company or outside parties.

Vacancies on the Committee due to death, resignation or for any other reason may be filled by the Board, with such replacement members serving for the balance of the vacant term.

Unless a Chairman of the Committee is appointed by the Board, the members of the Committee may designate a Chairman by majority vote of the full Committee membership.

Committee Authority and Responsibilities in General.

A. Audit Monitoring Function

With respect to its audit monitoring function, the Committee's primary responsibilities are to:

- Serve as an independent and objective party to monitor the integrity of the Company's financial reporting process and internal control system;

- Review, oversee and appraise the qualifications, independence and audit performance of the Company's independent accountants. The independent accountants are ultimately accountable to the Committee, which has the ultimate authority and responsibility to select, evaluate and, where appropriate, replace the independent accountants (or to nominate the independent accountants to be proposed for shareholder approval). The Committee has direct responsibility for the compensation and oversight of the work of the independent accountants (including resolution of disagreements between management and the independent accountants regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The independent accountants shall report directly to the Committee; and
- Provide an open avenue of communication among the independent accountants, financial and senior management, the internal auditors and the Board.

While the Committee has the responsibilities and authority 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 generally accepted accounting principles. That is the responsibility of management.

B. CMS Monitoring Function

With respect to its CMS monitoring function, the Committee's primary responsibilities are to:

- Serve as an independent and objective party to monitor the establishment and administration of the Company's CMS, which is designed to ensure compliance with applicable consumer financial laws and address and prevent associated risks of harm to consumers;
- Oversee and appraise the qualifications and performance of the Company's senior officer tasked with overseeing all compliance and reporting functions, who shall hold a corporate title of Director or above (the "Chief Compliance Officer" or "CCO")¹. The Committee has direct responsibility for the oversight of the work of the CCO (including but not limited to resolution of any disagreements between the CCO and other members of the Company's management regarding any aspects of the Company's operations);
- Set and communicate to the Company clear expectations about compliance, not only within the Company, but also as to the Company's third-party service providers;
- Allocate resources to the compliance function commensurate with the size and complexity of the Company's operations and practices, the Federal and State consumer financial laws and other regulations to which the Company is subject, and necessary to avoid the potential consumer harm associated with violations of such laws and regulations; and

¹ The CCO's duties and responsibilities include those agreed to in the August 2017 settlement of the *In re World Acceptance Corporation Derivative Litigation*. A copy of the settlement can be found online at: <https://www.sec.gov/Archives/edgar/data/108385/000010838517000037/0000108385-17-000037-index.htm>

- Provide an open avenue of communication among the Company's CCO, its senior management and the Board.

While the Committee has the responsibilities and authority set forth in this Charter, it is not the duty of the Committee to plan, establish or administer the Company's CMS. That is the responsibility of management and specifically the CCO.

Committee Activities

To fulfill its responsibilities, the Committee shall:

A. Review of Documents and Reports; Audit Committee Report

1. Review with management and the independent accountants (i) the Company's annual and quarterly financial statements, (ii) any accompanying certification, report, opinion, or review by the independent accountants, and (iii) prior to the filing of the Form 10-K or 10-Q, as applicable, disclosures to be made in Management's Discussion and Analysis of Financial Condition and Results of Operations. With respect to annual financial statements, recommend to the Board, based on this review, whether the financial statements should be included in the Form 10-K.
2. Review with management and the independent accountants each earnings press release (including the use of "pro forma," "adjusted", or other non-GAAP financial measures and earnings guidance, if any) prior to the issuance of such release and the filing of the related Form 10-Q, and review financial information and earnings guidance, if any, provided to rating agencies prior to any ratings agency presentations. The Committee's review in this regard may be general in nature (i.e., a discussion of the types of information to be disclosed and the type of presentation to be made). The Chairman of the Committee may represent the entire Committee for these purposes.
3. Provide or approve a report for inclusion in the Company's proxy statement for its annual meeting of shareholders, in accordance with applicable rules and regulations, including those of the SEC, and approve any disclosure to be included in the Company's annual report or proxy statement that describes the Committee's composition and responsibilities and how they were discharged.

B. Internal Auditors

1. Consider, in consultation with the independent accountants and the internal auditors, the audit scope and plan of the internal auditors.
2. Consider and review with management and the internal auditors:
 - a. Significant findings during the year and management's responses thereto;
 - b. Any difficulties encountered in the course of their audits, including any restrictions on the scope of their work or access to required information;

- c. Any changes required in the planned scope of their audit plan; and
- d. The internal audit department budget and staffing.

C. Independent Accountants

1. Select the Company's independent accountants, considering independence, qualifications and effectiveness, and approve the scope of the proposed audit for each fiscal year and the fees and other compensation to be paid to the independent accountants therefore.
2. Preapprove all auditing services and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by its independent accountants, subject to such exceptions for non-audit services as permitted by applicable laws and regulations. The Committee may establish pre-approval policies in procedures in compliance with applicable regulations.
3. Obtain and review, at least annually, a written report by the independent accountants describing: (a) the firm'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, (c) any steps taken to deal with any such issues, and (d) all relationships between the independent auditor and the Company, consistent with applicable rules and disclosure requirements of the Public Company Accounting Oversight Board ("PCAOB") or any successor regulatory entity, as amended.
4. Review and periodically discuss with the accountants all relationships the accountants have with the Company and others that may affect the accountants' independence and receive from the independent accountants the written disclosures and letter from the independent accountants required by applicable requirements of the PCAOB or any successor regulatory entity, as amended.
5. Receive from the independent accountants any other required communications with audit committees as mandated by standards of the PCAOB or any successor regulatory entity.
6. Evaluate, at least annually, the independence of the independent accountants, including considering whether the provision of permitted non-audit services is compatible with maintaining the accountants' independence and confirming any rotation of the audit team as required by applicable rules and regulations, and taking into account the opinions of management and internal auditors.
7. Review the performance of the independent accountants, and make changes with respect to the independent accountants if, and when, circumstances warrant or as applicable regulations may require.

8. Set policies governing the Company's hiring of employees or former employees of the independent accountants who participated in any capacity in the audit of the Company.
9. Periodically consult with the independent accountants out of the presence of management about internal controls and the completeness and accuracy of the Company's financial statements.

D. Financial Reporting Processes

1. In consultation with the independent accountants, review the integrity and adequacy of the Company's financial reporting processes, both internal and external.
2. Review periodically the effect of regulatory and accounting initiatives and off-balance-sheet structures, if any, on the Company's financial statements.
3. Discuss with the independent accountants their judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
4. Review and discuss quarterly reports from the independent accountants on: (i) all critical accounting policies and practices of the Company; (ii) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent accountants; and (iii) other material written communications between the independent accountants and management, such as any management letter or schedule of unadjusted differences.
5. Review and resolve any significant disagreement among management and the independent accountants in connection with the preparation of the financial statements, and consider with the independent accountants any other significant findings and recommendations of those accountants, together with management's responses thereto.
6. Review disclosures made to the Committee by the Chief Executive Officer and the Chief Financial Officer during their certification process for Forms 10-K and 10-Q about any significant deficiencies in the design or operation of the Company's internal control over financial reporting or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal control over financial reporting.
7. Consider, and approve if appropriate, any major changes to the Company's auditing and accounting principles and practices suggested by the independent accountants or management.

E. Process Improvement

1. Facilitate the reporting to the Committee by both management and the independent accountants of any significant judgments (including, without limitation, critical accounting policies and practices) made in management's preparation of the financial statements and the view of both management and the accountants as to the appropriateness of such judgments.
2. After completion of the annual audit, review separately with both management and the independent accountants any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
3. Review with the independent accountants and management the extent to which any changes or improvements in financial or accounting practices that have been approved by the Committee have been implemented.

F. Compliance Management System and Risk Management

1. Inquire of management, the internal auditors, CCO and the independent accountants about significant risks or exposures, including those arising from major legislative or regulatory developments, and assess the steps management has taken to minimize such risks to the Company.
2. Review the status of compliance with laws and regulations, and the scope and status of systems designed to promote the Company's compliance with laws and regulations, through reports from management, legal counsel and, if deemed appropriate, third parties.
3. Review periodically, with counsel, any legal matter that could have a significant impact on the Company's financial statements or risk management impact.
4. Review reports from the CCO regarding the overall operation of the Company's CMS, including but not limited to (i) recurring reports of compliance risks, issues and resolutions, including vendor management; (ii) reports on consumer compliance issues and associated risks of harm to consumers throughout product development, marketing, and account administration, and through the Company's handling of consumer complaints and inquiries; and (iii) ensure audit coverage of compliance matters and review the results of periodic compliance audits.
5. Receive updates from the Company's IT Department at least annually regarding measures taken by the Company with regard to technology, data protection, privacy and information security, including cyber security as well as associated issues and risks.

G. Miscellaneous

1. 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.

2. Receive reports regarding, and review, any “related party transactions” (as defined by applicable regulations), giving consideration to potential conflicts of interest arising from such transactions, and determine whether to ratify or approve such transactions.

Meetings, Administrative Powers and Functions

- A. The Committee shall meet, in person or by telephone or video conference, as often as it deems necessary or appropriate, but not less frequently than four times annually, at such times and places as it shall determine. It shall record the action taken at such meetings. A majority of the members of the Committee shall constitute a quorum. Subject to actions taken pursuant to permitted delegations of authority, the affirmative vote of a majority of the members at a meeting or by unanimous written consent shall constitute action by the Committee.
- B. The Committee may ask members of management or others to attend any meeting and provide such information or advice as desired by the Committee.
- C. The Committee may form and delegate authority to subcommittees when appropriate.
- D. The Committee shall make regular reports to the Board and such recommendations as the Committee deems appropriate.
- E. The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval. The Committee shall annually review its own performance.
- F. As part of its responsibility to foster open communication, the Committee should meet periodically with management, the internal auditors, the Company’s independent accountants, the CCO and other members of Company’s management in separate executive sessions to discuss any matters that the Committee or any of these groups believes should be discussed privately.
- G. In discharging its oversight role, the Committee is empowered to study or investigate any matter of interest or concern that the Committee deems appropriate and shall have the sole authority to retain outside counsel or other advisers as it determines necessary to carry out its duties, including the authority to approve the fees payable to such counsel or other advisers and any other terms of retention. The Company shall provide appropriate funding, as determined by the Committee, for paying fees to the Company’s independent accountants, any outside advisers engaged by the Committee and for any other activities undertaken by the Committee pursuant to this Charter.

Approved, amended and restated by the Board of Directors of World Acceptance Corporation on February 18, 2021.