

**LEGACY EDUCATION ALLIANCE, INC.**  
**(a Nevada corporation)**

**AUDIT COMMITTEE CHARTER**

**Adopted November 10, 2014**

**I. PURPOSE**

The purpose of the Audit Committee (the “Committee”) is to assist the Board of Directors (the “Board”) of Legacy Education Alliance, Inc. (the “Company”) in fulfilling its responsibility to oversee the quality and integrity of the accounting, auditing, and reporting practices of the Company. The Committee shall also oversee the Company’s systems of internal controls regarding finance, accounting, information technology, legal and regulatory compliance and ethical behavior, the audits of the Company’s financial statements, the qualifications of the accounting firm engaged as the Company’s independent auditor, and the performance of the Company’s independent auditors. On the date that this Committee is organized, the Company is not required under the Securities and Exchange Act or any exchange or regulatory authority to maintain this Committee. This Committee is formed as a committee of the Board as a matter of preferred corporate practices and unless the Committee is required to be maintained under the Securities and Exchange Act or any exchange or regulatory authority, the Committee may be terminated at the pleasure of the Board.

**II. ORGANIZATION AND MEMBERSHIP**

The Company’s Amended and Restated Bylaws (the “Bylaws”) and this charter (the “Charter”) shall govern the operation of the Committee; in the event of a conflict, the Bylaws shall govern. The Committee shall consist of at least two members elected by the Board, and each shall have, in the judgment of the Board, the ability to read and understand the Company’s basic financial statements.

Unless otherwise determined by the Board, at least one member shall qualify as an “audit committee financial expert” as such term is defined in Item 407(d)(5) of Regulation S-K, and, unless otherwise determined by the Board, at least one member shall be “independent” as such term is defined in Rule 10A-3(b)(1) under the Securities Exchange Act of 1934 and NASDAQ Listing Rule 5605(a)(2). Notwithstanding the foregoing provision of this paragraph, the membership of the Committee shall require at least one audit committee financial expert and one independent member from and after the date that the Committee is required to have members with such qualification under applicable law, rule or regulation.

At its sole discretion, the Committee shall have the power to retain outside legal, accounting, and financial consultants or other advisers, or to delegate to subcommittees to assist it in activities to the extent permitted by the U.S. Securities and Exchange Commission (the “SEC”) and NASDAQ. The fees and expenses of such consultants and advisors shall be borne by the Company.

The members of the Committee shall serve until their successors are duly elected and qualified, or until their earlier resignation or removal by the Board. The Board may designate a member of the Committee to serve as the chairperson of the Committee. The Board may remove any Chairman and designate a successor at any time and from time to time.

### **III. MINUTES**

The Committee shall maintain and submit to the Board copies of minutes of each meeting of the Committee, and each written consent to action taken without a meeting, reflecting the actions so authorized or taken by the Committee since the preceding meeting of the Board. A copy of the minutes of each meeting shall be placed in the Company's minute book.

### **IV. CHARTER AMENDMENT**

Any member of the Committee may submit proposed charter amendments to the Board. The Board shall circulate any proposed charter amendment(s) to members of the Committee immediately upon receipt. By a majority vote, the Board may approve the amendments to the Charter.

### **V. MEETINGS**

The Committee shall hold such regular meetings as may be necessary or advisable, but no less frequently than annually. The Chairman of the Committee, in consultation with the other Committee members, shall determine the frequency and length of the Committee meetings and shall set meeting agendas consistent with the Charter.

The presence in person or by telephone of a majority of the Committee's members shall constitute a quorum for any meeting of the Committee. All actions of the Committee will require the vote of a majority of its members present at a meeting of the Committee at which a quorum is present or a unanimous written consent.

The Company may request that any directors, officers or employees of the Company, or other persons whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such information as the Committee requests.

Unless restricted by any applicable rule, regulation or statute, the Committee may form and delegate its authority to subcommittees or to the Chairman of the Committee when it deems appropriate and in the best interests of the Company.

### **VI. RESPONSIBILITIES, DUTIES AND AUTHORITY**

In furtherance of the Committee's objective to ensure that the Company's accounting and reporting practices are consistent with applicable legal requirements and are of the highest legal quality, the Committee shall have the following authority and responsibilities, which such authority and responsibilities may, in the discretion of the Board, be exercised by the Board or limited by the Board, unless or until the Company is subject to rules and regulations of

NASDAQ or any other national securities exchange or market or the Securities and Exchange Commission or any similar agency or authority that require the Company to maintain the Committee and for the Committee to exercise such responsibility or authority:

1. Select, appoint, retain, dismiss, as applicable (and subject to stockholder approval or ratification, if deemed advisable by the Board), and oversee the work of the Company's independent auditors;
2. Pre-approve the retention of the Company's independent auditors for any non-audit services;
3. Pre-approve appropriate funding for payment of (a) compensation to the Company's independent auditors for the purpose of rendering audit and non-audit services, (b) compensation to any advisors employed by the Committee and (c) ordinary administrative expenses necessary to carry out its duties;
4. Require audit partner rotation if the lead (or coordinating) audit partner (having primary responsibility for the audit), or the audit partner responsible for reviewing the audit, has performed audit services for the Company in each of the Company's five previous fiscal years;
5. Review the Company's annual audited financial statements and quarterly unaudited financial statements with the Company's management and independent auditors;
6. Review any major changes to the Company's auditing and accounting principles and practices as suggested by the Company's management or independent auditors;
7. Review the Company's disclosures under any document filed with the SEC, provided in a press release or earnings guidance, provided to rating agencies, provided that the Committee need not discuss such other financial information before it is provided to analysts and rating agencies;
8. To the extent that the Committee determine reasonable or necessary, request, obtain and review a report by the Company's independent auditors describing:
  - (a) the auditors' internal quality-control procedures;
  - (b) any material issues raised by the most recent internal quality-control review, or peer review, of the independent auditor, 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 independent auditor, and any steps taken to deal with any such issues; and
  - (c) all relationships between the independent auditor and the Company (to assess the auditor's independence);

9. Review with the Company's independent auditors any problems or difficulties the auditor may have encountered and any management letter provided (or intended to be provided) by the auditor and the Company's response, including:
  - (a) any difficulties encountered in the course of the audit work, including any restrictions on the scope of the activities or access to required information;
  - (b) any changes required in the planned scope of the external audit;
  - (c) any disagreements with management;
  - (d) any material written communications between the independent auditors and the Company's management, such as any management letter or schedule of unadjusted differences; and
  - (e) any accounting adjustments that were proposed by the Company's independent auditors but were "passed" (as immaterial or otherwise), any material communications between the audit team and the independent auditors' national office respecting auditing or accounting issues presented by the engagement;
10. Review annually with the Company's management and independent auditors:
  - (a) analyses prepared by the Company's management and/or independent auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative generally accepted accounting period methods on financial statements; and
  - (b) the effect of regulatory and accounting initiatives, as well as review and approve any off-balance sheet structures on the Company's financial statements;
11. Review and receive periodic reports (as well as the written disclosures and the letter from the independent accountants required by Ethics and Independence Rule 3526, Communication with Audit Committees Concerning Independence as it may be modified, supplemented or replaced) from the Company's independent auditors, including the lead partner, regarding the auditor's qualifications, performance, independence and their registration with the SEC; discuss such materials with the auditor; after receipt of the annual report provided by the independent auditors discussed above in Section 14, and taking into account the opinions of management and the internal auditors, present its conclusions with respect to the independent auditor to the full Board; and, if so determined by the Committee, recommend that the Board take appropriate action to ensure the independence of the auditors and continued registration with the SEC;
12. Meet regularly with the Board and review with the Company's management any legal matters that may have a material impact on the financial statements, the Company's compliance policies and any material reports or inquiries received from regulators or governmental agencies;

13. Review annually major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, and major issues as to the adequacy of the Company's internal controls, and any special audit steps adopted in light of control deficiencies;
14. Review the audit report provided by the Company's independent auditors, which should include:
  - (a) all critical accounting policies and practices used; and
  - (b) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management officials of the issuer, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditors;
15. Review any failures of the Company's financial reporting controls;
16. Meet periodically with the Company's management, the independent auditors and the personnel or third party responsible for the internal audit function in separate sessions to encourage entirely frank discussions with the Committee, including without limitation, discussions regarding the Company's financial reporting control procedures, the quality of the Company's financial reporting and the adequacy and competency of the Company's financial management;
17. Meet and discuss with the independent auditor the matters required to be discussed by Statement on Auditing Standards No. 61, as amended by Statement on Audit Standards No. 90, relating to the conduct of the audit of the Company's annual financial statements and the matters required to be discussed relating to the conduct of the review of the Company's quarterly financial statements;
18. Establish procedures for:
  - (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
  - (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;
19. Obtain assurance from the Company's independent auditor that it has notified the Committee of any failure of which the independent auditor is aware of the Company to comply with applicable legal requirements;
20. Periodically review and reassess the adequacy of the Charter and recommend any proposed changes to the Nominating and Corporate Governance Committee of the Company's Board for approval;

21. Pre-approve all related party transactions entered into by the Company with any of the Company's directors or executive officers in connection with any policies adopted by the board of directors; and
22. Do every other act incidental to, arising out of or in connection with, or otherwise related to, the authority granted to the Committee hereby or the carrying out of the Committee's duties and responsibilities hereunder.

## **VII. LIMITATION OF COMMITTEE'S ROLE**

While the Committee has the authority, powers, and responsibilities 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 and disclosures are complete and accurate and are in accordance with GAAP and applicable legal, accounting, and other requirements. These are the responsibilities of the Company's management and independent auditors.

This Charter supersedes any and all prior audit committee charters of the Company and its subsidiaries.

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