

**CHARTER OF THE COMPLIANCE AND QUALITY CARE COMMITTEE
OF THE BOARD OF DIRECTORS OF
AAC HOLDINGS, INC.**

Adopted October 31, 2016

This Compliance and Quality Care Committee Charter (the “Charter”) sets forth, among other things, the purpose, membership and duties and responsibilities of the Compliance and Quality Care Committee (the “Committee”) of the Board of Directors (the “Board”) of AAC Holdings, Inc. (the “Corporation”).

1. Purpose

The purpose and responsibilities of the Committee shall be to assist the Board in fulfilling its oversight responsibilities relating to (a) the Corporation’s compliance with applicable laws and regulations, (b) the Corporation’s compliance program, (c) the adequacy of the Corporation’s internal and external compliance controls, (d) the effectiveness of management policies, procedures and practices relating to compliance, and (e) the Corporation’s policies and procedures relating to the delivery of quality care to clients. The Committee shall advise the Board as to the status of the Corporation’s compliance program and ongoing developments relating to compliance and quality matters.

For purposes of this Charter, “compliance” shall be defined as the Corporation’s adherence to all laws, regulations and policies applicable to the Corporation and the operation of the Corporation’s businesses, except to the extent that oversight with respect to a law, regulation or policy is expressly assigned or delegated to another committee of the Board of Directors.

2. Membership

The Committee shall consist of no fewer than three members of the Board, unless otherwise determined by the Board. The Committee Chair and the other members of the Committee shall be appointed, and may be removed by, the Board.

3. Meetings

The Committee shall meet on a regularly-scheduled basis at least four times per year or more frequently as circumstances dictate. The Committee may meet with the Corporation’s Chief Compliance Officer in separate sessions without management to provide the opportunity for full and frank discussion. The Committee shall meet at least once per calendar year in a joint meeting with the Corporation’s Audit Committee. Any member of the Committee may call meetings of the Committee. Meetings may be held telephonically or in person. A majority of the members of the Committee shall constitute a quorum sufficient for the taking of any action by the Committee.

4. Responsibilities

The Committee's duties and responsibilities shall include the matters enumerated below, as well as such other matters as may be delegated to the Committee by the Board from time to time.

Compliance Related Duties

The Committee shall have the following goals and responsibilities with respect to the Corporation's compliance efforts:

- (a) Provide oversight of the Corporation's compliance with applicable laws and regulations and communicate significant compliance issues to the Board and to other Board committees;
- (b) Review significant compliance risk areas and the steps management has taken to monitor, control and report such compliance risk exposures;
- (c) Regularly review reports of the General Counsel on litigation, any material reports or inquiries received by the Corporation from regulators or governmental agencies, and other matters, including the scope and effectiveness of compliance policies and programs;
- (d) Review reports of the Corporation's Compliance Committee;
- (e) Review and evaluate, at least annually, the effectiveness of the Corporation's compliance staff, the Compliance Committee and compliance and ethics program;
- (f) Review and approve compliance related policies and procedures, including employee standards of conduct;
- (g) Report compliance issues that may have significant financial implications to the Corporation's Audit Committee and otherwise assist the Audit Committee in the discharge of such committee's obligations related to such compliance issues; and
- (h) Meet regularly in executive session with the Corporation's Chief Compliance Officer.

Quality Related Duties

The Committee shall have the following goals and responsibilities with respect to the Corporation's quality and client safety efforts:

- (a) Provide oversight of the Corporation's policies and procedures relating to the delivery of quality care to clients;

- (b) Review the policies and procedures developed by the Corporation's Chief Compliance Officer and Chief Clinical Officer and other members of management to advance the quality of care provided to clients and client safety, including quality, credentialing, accreditation and safety policies and procedures;
- (c) Review, in conjunction with the Chief Compliance Officer and other members of management, the development of internal systems and controls to collect and measure quality data and carry out the Corporation's standards, policies and procedures relating to quality of client care and client safety;
- (d) Review information regarding the Corporation's quality, clinical risk, client safety and performance improvement initiatives;
- (e) Review the results of physician and employee satisfaction surveys;
- (f) Ensure communication across the organization regarding client care and safety improvement opportunities and activities and the evaluation of those activities;
- (i) Review adverse events relating to the quality of client care and client safety, along with corrective action plans; and
- (j) Consult with the Corporation's Compensation Committee regarding quality and client safety related key performance indicators and other compensation measures.

In addition, pursuant to Section 3 of Article V of the Permanent Injunction and Final Judgment (the "PIFJ") with the Bureau of Medi-Cal Fraud and Elder Abuse of the Office of the Attorney General of the State of California ("BMFEA"), the Committee shall (i) review the adequacy of internal audit and review and quality assurance programs created under the PIFJ, and (ii) ensure any responses to state, federal, internal or external claims of inadequate quality of care are complete, thorough and resolve the issue(s) identified.

The Committee may consider other matters and engage in other activities in furtherance of fulfilling the purposes and responsibilities described in Section 1 hereof as the Committee or the Board may deem appropriate.

The Committee may form subcommittees for any purpose within its authority that the Committee deems appropriate and may delegate to such subcommittees such power and authority of the Committee as the Committee deems appropriate; provided, however, that no subcommittee shall consist of fewer than two members; and provided further that the Committee shall not delegate to a subcommittee any power or authority required by any law, regulation or listing standard to be exercised by the Committee as a whole.

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

5. Annual Performance Evaluation

At least annually, the Committee shall perform a review and evaluation of the performance of the Committee and its members, including a review of the Committee's compliance with this Charter, and present to the Board a report of such annual performance evaluation. The Committee shall periodically reassess the adequacy of this Charter and recommend to the Board any proposed changes and improvements to this Charter that the Committee deems appropriate.

6. Investigations and Studies; Outside Advisers; Support

The Committee may conduct or authorize investigations into or studies of matters within the Committee's scope of responsibilities, and may retain, at the Corporation's expense, such independent counsel or other advisers as it deems necessary. At the request of the Committee, the Corporation shall provide the Committee with an appropriate level of staff and support to allow the Committee to function appropriately.

7. Miscellaneous

While the members of the Committee have the duties and responsibilities set forth in this Charter, nothing contained in this Charter is intended to create, or should be construed as creating, any responsibility or liability of members of the Committee, except to the extent otherwise provided under the applicable laws of Nevada. Nothing contained in this Charter is intended to expand applicable standards of liability under statutory or regulatory requirements for the directors of the Corporation or members of the Committee. Except as otherwise required by applicable laws, rules and regulations applicable to the Committee, the purposes and responsibilities outlined in this Charter are meant to serve as guidelines rather than as inflexible rules, and the Committee is encouraged to adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities.