

AAC HOLDINGS, INC.
CODE OF BUSINESS CONDUCT AND ETHICS

As reviewed and adopted by the Board of Directors on October 31, 2016

I. Introduction

AAC Holdings, Inc. (“AAC” or the “Company”) is committed to achieving the highest ethical standards and to conducting its business with the highest level of integrity. This Code of Business Conduct and Ethics (the “Code”) is designed to help the Company and its directors, officers and employees achieve high standards of business and personal conduct and ethics in the discharge of their duties. This Code is not meant to cover all situations, and any doubts as to a particular situation, whether or not described in this Code, should be submitted to your immediate supervisor or the Company’s Chief Legal Officer or to the Chief Compliance Officer, as applicable.

This Code is applicable to the Company’s directors and employees. Compliance by employees with this Code is a condition of employment, and any violations of the Code may result in disciplinary action, up to and including termination of employment. Each employee, as a condition of his or her employment or continued employment, will acknowledge in writing that he or she has received a copy of this Code, read it and understands that the Code contains the Company’s expectations regarding his or her conduct.

II. Conflicts of Interest

A conflict of interest exists when an employee’s or a director’s private interests interfere, or appear to interfere, in any way with the interests of the Company as a whole. A conflict of interest can arise when any employee or director takes actions or has interests that may make it difficult for that person to perform his or her work on behalf of the Company objectively and effectively. A conflict of interest can also arise when an employee or a director or a member of his or her family receives improper personal benefits as a result of his or her position with the Company.

The following, although not a complete list of every conceivable conflict of interest, represent some common examples of actual, apparent and potential conflicts of interest. If an employee or a director is involved in a conflict situation (whether or not it is described below) or has any questions about whether a particular activity constitutes a conflict of interest, he or she should discuss the particular situation with the Chief Legal Officer or Chief Compliance Officer and obtain his or her written approval prior to proceeding or continuing with the activity.

- a. Improper Personal Benefits. Conflicts of interest arise when an employee or a director or a member of his or her family receives improper personal benefits as a result of his or her position in the Company. Employees and directors may not accept any benefits from the Company that have not been duly authorized and approved pursuant to Company policy and procedure. The Company will not make any personal loans to, or guarantee the personal obligations of, employees, directors or members of their families.

- b. Financial Interests in Other Businesses. Employees and directors should avoid having an ownership interest in any other enterprise if that interest compromises or appears to compromise his or her loyalty to the Company. For example, an employee may not own an interest in a company that competes with the Company or that does business with the Company (such as a supplier or service provider) unless he or she obtains the written approval of the Chief Legal Officer or Chief Compliance Officer before making any such investment. However, it is not typically considered a conflict of interest (and therefore prior written approval is not required) to make an investment in a competitor, supplier or service provider that is a publicly-traded entity if such ownership represents less than one percent (1%) of the outstanding equity securities of that entity and the amount of the investment is not so significant that it would affect the owner's business judgment on behalf of the Company.

- c. Outside Employment or Activities with a Competitor. Simultaneous employment with or serving as a director of a competitor of the Company is strictly prohibited, as is any activity that is intended to or should reasonably be expected to advance a competitor's interests. Employees and directors may not market products or services in competition with the Company's current or potential business activities. It is the responsibility of individuals covered by this Code to consult with the Chief Legal Officer or Chief Compliance Officer to determine whether a planned activity will compete with any of the Company's business activities before he or she pursues the activity in question.

- d. Family Members Working in the Industry. If an employee's or a director's spouse or domestic partner, his or her children, parents or in-laws, or someone else with whom he or she has a familial relationship is or is employed by a competitor or supplier of the Company, the employee or director must disclose the situation to the Chief Legal Officer or Chief Compliance Officer so that the Company may assess the nature and extent of any concern and how it can be resolved. The employee or director must carefully guard against inadvertently disclosing Company confidential information and being involved in decisions on behalf of the Company that involve the other enterprise.

- e. Receipt of Gifts or Entertainment. Employees and directors may not solicit any kind of gift or personal benefit, including entertainment, from any third party with which the Company currently conducts or plans to conduct business. Employees and directors are prohibited from accepting gifts of money (or monetary equivalents) or other gifts or entertainment that a reasonable person would view as expensive or extraordinary, whether solicited or unsolicited, from any third party with which the Company currently conducts or plans to conduct business, except that employees and directors may accept gifts with a cumulative nominal value of \$150 or less in any one year to or from a third party with which the Company currently conducts or plans to conduct business if given and accepted without an express or implied understanding that the individual is in any way obligated by his or her acceptance of the gift.

- f. Offering Gifts or Entertainment. When the Company is providing a gift, entertainment or other accommodation in connection with Company business, it must do so in a manner that is in good taste and without excessive expense and in full compliance with any applicable laws or regulations. Employees may not furnish or offer to furnish any gift that goes beyond the common courtesies associated with accepted business practices or that are excessive in value. The above guidelines for receiving gifts should be followed in determining when it is appropriate to give gifts. Companies with which the Company does business likely have gift and entertainment policies of their own. Employees and directors must be careful never to provide a gift or entertainment that violates the other company's gift and entertainment policy.

What is acceptable in the commercial business environment may be entirely unacceptable in dealings with the government. There are strict laws that govern providing gifts, including meals, entertainment, transportation and lodging, to government officials and employees. Employees and directors are prohibited from providing gifts or anything of value to government officials or employees or members of their families in connection with Company business without the prior written approval of the Chief Legal Officer or Chief Compliance Officer. Giving or receiving any payment or gift in the nature of a bribe or kickback is absolutely prohibited.

- g. Political Activities. No employee or director, acting on the Company's behalf, may contribute or loan money or items of value to any foreign, federal, state or local political candidates or parties. Employees and directors may, however, participate in and/or contribute to the political process on an individual basis through means which would include voting and the contribution of their own time and money, and participate in or make contributions to political action committees.

III. Corporate Opportunities

If an employee or a director learns of a business or investment opportunity through the use of corporate property or information or his or her position at the Company, such as from a competitor or actual or potential supplier or business associate of the Company (including a principal, officer, director or employee of any of the above), he or she may not participate in the business or make the investment without the prior written approval of the Chief Legal Officer or Chief Compliance Officer. Such an opportunity should be considered a business or investment opportunity for the Company in the first instance.

IV. Confidential Information

Employees and directors should maintain the confidentiality of information entrusted to them by the Company or its clients, except where disclosure is authorized or legally mandated. Confidential information may not be disclosed or used for any purpose other than the furtherance of the Company's business. Confidential information includes all non-public information that might be of use to competitors or harmful to the Company or its clients if disclosed.

V. Fair Dealing

Employees and directors should endeavor to deal fairly with the Company's clients, payors, service providers, referral sources, employees and competitors. No employee or director shall take unfair advantage of anyone through manipulation, concealment, abuse of privileged or confidential information, misrepresentation of a material fact or any other unfair-dealing practice.

VI. Protection and Use of Company Property

- a. Protection and Proper Use of Company Personnel and Property. Directors and employees shall not use the Company's employees or property for purposes other than those related to Company business, except for de minimis uses not otherwise inconsistent with Company policy. Employees are prohibited from the unauthorized use or taking of the Company's equipment, supplies, software, data, intellectual property, materials or services. Prior to engaging in any activity on the Company's time which will result in remuneration to the employee or the use of Company equipment, supplies, materials or services for personal or non-work related purposes, an employee must obtain the approval of his or her supervisor. It is also the responsibility of each employee to protect and ensure the efficient use of the Company's assets. Each employee should immediately report theft or waste of any Company assets.
- b. Copyright and Trademark Matters. Certain copyrights and trademarks owned by the Company are valuable assets. Each employee and director should carefully consider any action that could dilute or affect in any way the Company's copyright and trademark interests. No employee should enter into any agreement to transfer, assign or license the Company's copyrights or trademarks without the prior approval of the Chief Legal Officer. It is the Company's policy to comply fully with the laws of the United States and each state where the Company conducts business concerning copyright and trademark matters. Any question as to whether a proposed action would infringe upon the copyright or trademark rights of another company or individual should be referred to the Chief Legal Officer. Such matters include copying or distributing written work prepared by others, using signs or symbols that may be trademarks or service marks or doing company business under any name other than the Company's name.
- c. Use of Electronic Systems. The email systems, voicemail systems and all other computer systems, hardware and software owned by, licensed to or supplied for the use of employees or directors are the property of the Company. These Company systems are to be used for business purposes only, and the use of these systems must comply with the policies and values of the Company. The Company reserves the right to access all information on Company computers, including email and history of internet usage, and employees should have no expectation of privacy while using Company systems and business equipment.

- d. Company Records. Documents and records, including electronic records, created by the Company or provided to it by others are the property of the Company and may only be reproduced and destroyed pursuant to the Company's document retention policies and procedures. Documents must never be destroyed in an effort to deny governmental authorities information relevant to an investigation. Employees and directors should contact the Chief Legal Officer with any questions regarding the Company's record retention and destruction policies and procedures.

VII. Accurate Periodic Reports and Other Public Communications

Accuracy, reliability and timeliness in the preparation of all business records, financial statements, periodic reports to regulatory and other government agencies and other public communications are of critical importance to the corporate decision-making process and to the proper discharge of the Company's financial, legal and reporting obligations. Employees must exercise the highest standard of care in preparing such materials. To ensure the quality of such materials, the Company has established the following guidelines.

- a. The Company and its employees must comply with generally accepted accounting principles at all times.
- b. All books and records must fairly and accurately reflect the Company's transactions, assets, liabilities, revenues and expenses.
- c. The Company will maintain a system of internal accounting controls and disclosure controls that will provide reasonable assurances to management that all transactions are properly recorded and disclosed.
- d. The Company's accounting records must not contain any false or intentionally misleading entries.
- e. No transaction may be intentionally misclassified as to accounts, departments or accounting periods or in any other manner.
- f. All transactions must be supported by accurate documentation in reasonable detail and recorded in the proper account and in the proper accounting period. No false or fictitious invoices may be paid or created.
- g. No information may be concealed from the internal auditors or the independent auditors.

Furthermore, each employee and director must promptly disclose to the Chief Legal Officer or Chief Compliance Officer any information he or she may have concerning (i) significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarize and report financial data or (ii) any fraud, whether or not material, involving management or other employees of the Company who have a significant role in the Company's financial reporting, disclosures or internal controls.

If an employee or director believes that the Company's books and records are not being maintained in accordance with these requirements, he or she should report the matter immediately to the Chief Legal Officer or Chief Compliance Officer.

VIII. Compliance with Laws, Rules and Regulations and Company Policies

Employees and directors are expected to comply with both the letter and spirit of all applicable governmental laws, rules and regulations and to promptly report any suspected violations of governmental laws, rules and regulations to the Chief Legal Officer or Chief Compliance Officer. Further, employees and directors are expected to comply with all Company policies and procedures, specifically including facility-specific policies and procedures, and to promptly report any suspected violations of Company policies or procedures to his or her immediate supervisor or to the Chief Compliance Officer. No one will be subject to retaliation because of a good faith report of a suspected violation. The Company provides anonymous reporting mechanisms for employees' use in reporting concerns about financial reporting, accounting or auditing matters. Employees who fail to comply with applicable laws, rules or regulations may be subject to disciplinary measures, up to and including termination of employment.

- a. Insider Information and Securities Trading. The Company has adopted an Insider Trading Policy applicable to officers, directors, employees, consultants and contractors of the Company and its subsidiaries, as well as immediate family members and household members of such persons. The Insider Trading Policy is incorporated by reference into this Code. The Company expects officers, directors, employees, consultants and contractors to comply strictly with applicable insider trading laws and the Insider Trading Policy.
- b. Company Communications. The Company has adopted a Regulation FD Policy that governs the dissemination of material information about the Company and identifies specific persons who are authorized to discuss Company matters with the news media or investment community. The Regulation FD Policy is incorporated by reference into this Code. The Company expects officers, directors, employees, consultants and contractors to comply strictly with the Regulation FD Policy and regulations governing the dissemination of material nonpublic information about the Company.
- c. Compliance with Patient Information Privacy and Security Requirements. Client information is protected by state and federal privacy laws and must be kept confidential. The Company shall protect clients' personal privacy and preserve the confidentiality of each client's treatment program, medical record information and other protected health information. The Company will comply with all laws and regulations related to the privacy and security of client information, including the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and 42 C.F.R. Part 2, Federal Confidentiality Rules for Alcohol and Drug Abuse Records. Clients will be advised of these rights in writing at the time of admission. The Company has developed policies and procedures, including this Code and a Compliance Program to protect clients' protected health information. The Company and its employees will comply with the Compliance Program, which is incorporated by reference into this Code.

To comply with these laws and the Compliance Plan, the Company will implement and maintain adequate safeguards when communicating and storing protected health information to protect the

confidentiality, integrity and availability of this information, whether in written, oral or electronic form. Protected health information will only be used or disclosed if the use or disclosure complies with the Company's privacy policies and is authorized by law.

- d. Arrangements with Referral Sources. Federal and state laws prohibit certain referral practices among healthcare providers. The Company prohibits the provision of payments or other benefits to any person as an inducement or reward for referrals to a treatment facility owned or operated by the Company, except as permitted by law. Any payments made by the Company to referral sources must be made solely in consideration for *bona fide* services provided to the Company. Such payments shall be consistent with the fair market value of the services actually rendered by the referral source.

In circumstances in which any employee or contractor of the Company is in a position to make referrals to physicians, health professionals or other healthcare facilities, he or she must make these referrals solely on the basis of what is best for the individual seeking or requiring treatment, as limited by contractual arrangements or legal requirements, and without regard to the value or volume of referrals any such physician, health professional or other healthcare facility has made to the Company.

To the extent permitted by law, the Company may enter into agreements with referral agencies. Any agreements for referrals must be reviewed and approved by the Chief Legal Officer or her designee.

- e. Ineligible Persons. The Company will not contract with, employ, or bill for services rendered by an individual or entity that is excluded or ineligible to participate in federal healthcare programs; suspended or debarred from federal government contracts; or has been convicted of a criminal offense related to the provision of healthcare items or services and has not been reinstated in a federal healthcare program after a period of exclusion, suspension, debarment or ineligibility, provided that the Company is aware of such criminal offense. Notwithstanding the foregoing, the Company may in limited circumstances approved in advance by the Chief Compliance Officer contract with or employ an individual who may fall into the above categories if the reason for inclusion in the above categories relates to a past addiction issue that has been satisfactorily addressed. Documentation of the Chief Compliance Officer's prior approval of such contract or employment shall be maintained. The Company will review the List of Excluded Individuals and Entities maintained by the Department of Health and Human Services' Office of Inspector General and Excluded Parties List System maintained by the General Services Administration prior to employing or contracting with persons and will re-screen employees and contractors as appropriate.

- f. Fair Employment Practices. The Company actively promotes diversity in the workforce at all levels of the organization. The Company is an equal opportunity employer and does not discriminate against any individual with regard to race, color, religion, gender, sexual orientation, national origin, age, disability, veteran status, or any other characteristic protected by applicable law with respect to any offer, term or condition of employment. The Company shall make reasonable accommodations to the known physical and mental limitations of qualified individuals with disabilities. The Company will not tolerate harassment of anyone based on race, color, religion, gender, sexual orientation, national origin, age, disability, veteran status or any other characteristic protected by applicable law. Offensive or inappropriate language, jokes or slurs, intimidation or other forms of harassment will not be tolerated.

- g. Cooperation in Government Investigations. The Company intends to fully comply with all state laws and regulations and will cooperate with any reasonable requests for information from any governmental entity in a timely manner. At the same time, the Company is entitled to safeguards provided by law, including representation by counsel from the first contact. If an employee or director receives a subpoena, search warrant or other legal document from a government agency regarding the Company's business, whether at home or in the workplace, he or she should immediately notify his or her supervisor or the Chief Legal Officer so that the Company can comply with the request in an accurate, complete and timely manner.

IX. Compliance with and Enforcement of this Code

All employees and directors are required to read, understand and refer to this Code and the other policies referred to herein. Compliance with the policies set forth in this Code is required of all employees. Enforcement is the direct responsibility of every supervisor, regardless of location. Any employee who violates this Code and/or other Company policies and procedures may be subject to disciplinary action, up to and including termination.

If an employee becomes aware of any illegal conduct or behavior in violation of this Code by anyone working for or on behalf of the Company, that associate should report it promptly, fully and objectively to his or her supervisor or the Chief Legal Officer or the Chief Compliance Officer. The Company has also developed a Whistleblower Policy, which includes a Non-Retaliation Policy, all of which is incorporated into this Code by reference. No one will be subject to retaliation because of a good faith report of a suspected violation. When an employee is in doubt as to how a specific ethical or other situation covered by this Code should be handled, the employee should seek assistance from the Chief Legal Officer or the Chief Compliance Officer.

The Company will waive application of the policies set forth in this Code only where circumstances warrant granting a waiver. Waivers of this Code for directors and executive officers may be made only by the Board of Directors as a whole or the Audit Committee of the Board of Directors and must be promptly disclosed as required by applicable law or regulation. Any waiver given shall not constitute a waiver for future purposes or bind the Company to give any such waiver in the future.