



RCI Hospitality Holdings, Inc.

Charter of the Audit Committee of the Board of Directions

Adopted July 5, 2023

I. Purpose

The purpose of the Audit Committee is to:

- Oversee the accounting and financial reporting processes of RCI Hospitality Holdings, Inc. (the "Company"), including the Company's disclosure controls and procedures and system of internal controls and audits of the Company's consolidated financial statements.
- Oversee the Company's relationship with its independent auditors, including appointing or changing the Company's auditors and ensuring their independence.
- Provide oversight regarding significant financial matters.

In carrying out Audit Committee functions, the Audit Committee must maintain free and open communication with the Company's independent auditors and the Company's management.

II. Appointment and Membership Requirements

The Audit Committee shall be made up of at least three (3) independent members of the Board of Directors. Audit Committee members are appointed by the Board of Directors. The Board of Directors decides the Audit Committee's exact number and can at any time remove or replace a Committee member. The Board of Directors will also make all determinations regarding satisfaction of the membership requirements described below.

The Audit Committee will comply with all applicable provisions of the Sarbanes-Oxley Act of 2002 and the rules and regulations of the Securities and Exchange Commission (SEC) and the NASDAQ Stock Market (NASDAQ), including those related to independence.

At least one member of the Audit Committee must be an "audit committee financial expert," as such term is defined by the SEC (see 17 CFR § 229.407). Generally, the Board of Directors will deem an Audit Committee member to meet this definition if he or she has past employment experience in finance or accounting, or comparable experience or background, which results in an understanding of GAAP, an ability to apply GAAP principles in assessing accounting policies, and experience in preparing and

evaluating financial statements with a level of complexity comparable to the Company's financial statements. Having been a CEO, CFO or other senior officer with financial oversight responsibilities for a public company, for instance, would qualify.

Each member of the Audit Committee must be able to read and understand fundamental financial statements, including the Company's balance sheet, income statement and cash flow statement.

III. Responsibilities

The Audit Committee's main responsibility is to oversee the Company's financial reporting process (including the Company's disclosure controls and procedures and system of internal controls). The Audit Committee believes that the Company's policies and procedures should remain flexible in order to best react to changing conditions and circumstances. The following list includes the Audit Committee's main recurring processes in carrying out its responsibilities. This list is intended as a guide, with the understanding that the Audit Committee can supplement it as appropriate, consistent with the requirements of the SEC and the NASDAQ.

1. *Hiring and Selection of Auditors.* The Audit Committee will directly appoint, retain and compensate the Company's independent auditors. These independent auditors will report directly to, and be responsible to, the Audit Committee.
2. *Approval of Audit and Non-Audit Services.* The Audit Committee is responsible for overseeing services provided by the independent auditors, including establishing a policy to decide what services will be performed and the approval requirements for these services.
3. *Auditor Independence.* The Audit Committee is responsible for making sure it reviews at least annually the qualifications, performance and independence of the auditors. In addition, the Audit Committee shall review a formal written statement explaining all relationships between the outside auditors and the Company and its subsidiaries, consistent with the applicable requirements of the Public Company Accounting Oversight Board regarding the independent auditor's communications with the Audit Committee concerning independence. The Audit Committee will maintain an active dialogue with the independent auditors, covering any disclosed relationships or services that may impact their objectivity and independence. The Audit Committee will review all proposed hires by the Company or its subsidiaries of management level or higher individuals formerly employed by the independent auditors who provided services to the Company. The Audit Committee will take, or recommend to the Board of Directors that it take, appropriate actions to oversee the independence of the Company's outside auditors.
4. *Oversight of Auditors; Audit Plan.* The Audit Committee will be responsible for the Company's relationship with its independent auditors. The Audit Committee will discuss with the independent auditors the overall scope and plans for their audits and other financial reviews. The Audit Committee will oversee the rotation of the audit partners of the Company's independent auditors as required by the Sarbanes-Oxley Act and the rules of the SEC. The Audit Committee will be responsible for reviewing and resolving any disagreements between the Company's management and the independent auditors regarding financial controls or financial reporting.

5. *Internal Controls; Risk Oversight.* The Audit Committee will discuss with management and the independent auditors the design, implementation, adequacy and effectiveness of the Company's internal controls. The Audit Committee will also meet separately with the independent auditors, with and without management present, to discuss the results of their examinations. The Audit Committee will provide oversight over the system of internal controls, relying upon management's and the independent auditors' representations and assessments of, and recommendations regarding, these controls. The Audit Committee will review any required disclosures regarding the Company's internal controls. The Audit Committee will discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies including, but not limited to, the Company's cybersecurity and other information technology risks. The Audit Committee is not required to be the sole body responsible for risk assessment and management, but the Committee must discuss guidelines and policies to govern the process by which risk assessment and management is undertaken.
6. *Quarterly and Annual Financial Statements.* The Audit Committee will review and discuss the annual audited financial statements and quarterly financial statements with management. The Audit Committee will be responsible for making a recommendation to the Board of Directors as to whether the Company's annual audited financial statements should be included in the Company's Annual Report on Form 10-K. The Audit Committee will review management's use of non-GAAP measures and metrics (including environmental, social and governance measures and metrics), and in particular how these measures are used to evaluate performance, whether they are consistently prepared and presented and what the Company's disclosure controls and procedures relating to these are.
7. *Proxy Report.* The Audit Committee will prepare any report required to be prepared by it for inclusion in any proxy statement of the Company under SEC rules and regulations.
8. *Critical Accounting Policies.* The Audit Committee will obtain, review and discuss reports from the independent auditors about:
 - all critical accounting policies and practices which the Company will use, and the qualities of those policies and practices; all alternative treatments of financial information within generally accepted accounting principles that the auditors have discussed with management officials of the Company, ramifications of the use of these alternative disclosures and treatments, the treatment preferred by the independent auditors and the reasons for favoring that treatment; and
 - other material written communications between the independent auditors and the Company management, such as any management letter or schedule of unadjusted differences.

The Audit Committee will also discuss with the independent auditors and then disclose those matters whose disclosure is required by applicable auditing standards, including any difficulties the independent auditors encountered in the course of the audit work, any restrictions on the scope of the independent auditors' activities or on their access to requested information, and any significant disagreements with management.

9. *CEO and CFO Certifications.* The Audit Committee will review the CEO and CFO disclosure and certifications under Sections 302 and 906 of the Sarbanes-Oxley Act.
10. *Related Party Transactions.* The Audit Committee will review and approve all related party transactions.
11. *Anonymous Complaint Handling Process.* The Audit Committee will have responsibility for establishment and oversight of processes and procedures for (a) the receipt, retention and treatment of complaints about accounting, internal accounting controls or audit matters, and (b) confidential and anonymous submissions by employees concerning questionable accounting, auditing and internal control matters. All such relevant complaints and submissions must be reported to the Audit Committee.
12. *Ability to Investigate; Retention of Advisors.* The Audit Committee has the power to investigate any matter brought to its attention, with full access to all the Company books, records, facilities and employees. The Audit Committee has the sole authority to select, retain and terminate consultants, legal counsel or other advisors to advise the Audit Committee, at the expense of the Company, and to approve the terms of any such engagement and the fees of any such consultants, legal counsel or advisors. In selecting a consultant or other advisor, the Audit Committee will take into account factors it considers appropriate or as may be required by applicable law or listing standards.
13. *Review of the Audit Committee and the Charter.* The Committee will perform a review and evaluation, at least annually, of the performance of the Committee, including reviewing the compliance of the Committee with this Charter. In addition, the Committee will review and reassess, at least annually, the adequacy of this Charter and recommend to the Board any improvements to this Charter that the Committee considers necessary or valuable. The Committee will conduct such evaluations and reviews in such manner as it deems appropriate.

It is not the Audit Committee's responsibility to prepare and certify the Company's financial statements, to guarantee the independent auditors' report, or to guarantee other disclosures by the Company. These are the fundamental responsibilities of management and the independent auditors. The Audit Committee members are not full-time employees of the Company and do not perform the functions of auditors and accountants.

IV. Restrictions on Independent Auditors Services

The Company's independent auditors cannot perform any of the following services for the Company:

- bookkeeping or other services related to the Company's accounting records or financial statements;
- financial information systems design and implementation;
- appraisal or valuation services, fairness opinions or contribution-in-kind reports; actuarial services;
- internal audit outsourcing services; management or human resources functions;
- broker or dealer, investment adviser or investment banking services;
- legal services and expert services unrelated to the audit; and
- any other service that the Public Company Accounting Oversight Board of Directors determines, by regulation, would impair the independence of the Company's auditors.

V. Meetings and Minutes

The Audit Committee will meet at least four times each year, and will keep minutes of each meeting. The Audit Committee decides when and where it will meet.

Unless the Board of Directors or this Charter provides otherwise, the Audit Committee can make, alter or repeal rules for the conduct of its business. In the absence of these rules, the Audit Committee will conduct its business in the same way the Board of Directors conducts its business

VI. Delegation of Authority; Chair of Audit Committee

The Audit Committee can delegate to one or more members of the Audit Committee the authority to pre-approve audit and permissible non-audit services, as long as any pre-approval of services is presented to the full Audit Committee at its next scheduled meeting.

The Audit Committee can delegate to one or more members of the Audit Committee the authority to pre-approve related party transactions, as long as any pre-approval of a transaction is presented to the full Audit Committee at its next scheduled meeting.

The Audit Committee cannot delegate its responsibilities to non-committee members.

Unless the chair of the Audit Committee is elected by the full Board of Directors, the members of the Audit Committee shall designate a chair by the majority vote of the full Committee membership. The Audit Committee may change the chair at any time.