

## **AMERICA'S CAR-MART, INC.**

### **AUDIT COMMITTEE CHARTER**

#### Organization and Membership

The Audit Committee of America's Car-Mart, Inc. (the "Company") shall be composed of at least three members of the Board of Directors of the Company (the "Board"), each of whom is outside of the management of the Company and is free of any relationship that, in the opinion of the Board, would interfere with his or her exercise of independent judgment as an Audit Committee member. No member of the Audit Committee may receive any compensation from the Company other than fees for service on the Company's Board of Directors and Committees thereof. In accordance with the listing requirements of the NASDAQ Stock Market ("NASDAQ"), each member of the Audit Committee must (i) be an "independent director" as defined in NASDAQ Rule 5605(a)(2), (ii) meet the criteria for independence set forth in Rule 10A-3(b)(1) under the Securities and Exchange Act of 1934, (iii) not have participated in the preparation of the financial statements of the Company or any current subsidiary or the Company at any time during the past three years, and (iv) be able to read and understand fundamental financial statements, including the Company's balance sheet, income statement and cash flow statement. Additionally, at least one member of the audit committee must have past employment experience in finance or accounting or any other comparable experience or background that result in the individual's financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities.

#### Statement of Purpose

The Audit Committee shall provide assistance to the Board in fulfilling its responsibility to the shareholders, potential shareholders, and the investment community by overseeing (i) the Company's accounting and financial reporting practices and processes, (ii) the quality and integrity of the Company's financial statements, (iii) the audit and reviews of the Company's financial statements, and by (iv) reviewing and approving (or rejecting/prohibiting) all related party transactions involving the Company and any potential conflicts of interest between any person and the Company.

#### Structure

The Audit Committee shall annually elect from among its members a Chairman, who shall preside over meetings of the Audit Committee.

#### Responsibilities

In furtherance of the policy of the Audit Committee, it will be the responsibility of the Audit Committee to:

- Maintain free and open means of communication among Board members, the outside auditors, the internal auditors and the financial management of the Company.
- Select, appoint, retain, compensate and oversee the outside auditors, which firm is ultimately accountable to the Audit Committee and the Board.
- Evaluate the performance of the outside auditors and, if the Audit Committee deems it to be in the best interests of the Company, replace the outside auditors.
- Confirm and assure the independence of the outside auditors, and in connection therewith, review the fees paid to the outside auditors for both audit and non-audit services.

- Obtain, annually, a formal written statement from the outside auditors consistent with Rule 3526 of the Public Accounting Oversight Board (“PCAOB”), delineating relationships between the outside auditors and the Company, and actively engage in dialogue with the outside auditors regarding matters that might reasonably be expected to affect their objectivity and independence.
- Prior to the commencement of the annual audit, discuss telephonically and/or meet with the outside auditors and financial management of the Company regarding the scope of the proposed annual audit and the audit procedures to be utilized.
- Discuss with the outside auditors the matters required to be discussed by Auditing Standard No. 16 of the PCAOB relating to the conduct of the audit.
- Review, with the outside auditors and the Company’s financial and accounting personnel, the adequacy and effectiveness of the accounting and financial controls of the Company, and elicit any recommendations for the improvement of such internal control procedures or particular areas where new or more detailed controls or procedures are desirable. Particular emphasis should be given to the adequacy of such internal controls to expose any payments, transactions, or procedures that might be deemed illegal or otherwise improper.
- Review with management and, as appropriate, the outside auditors:
  - the Company’s annual financial statements and related footnotes, prior to filing by the Company of the Form 10-K with the Securities and Exchange Commission;
  - any problems or difficulties the outside auditors may have encountered and any management letter provided by the outside auditors and the Company’s response to any such letter;
  - any significant changes to the Company’s auditing and accounting principles and practices suggested by the Company’s outside auditors or by management; and
  - at periodic meetings with management, the Company’s major financial risk exposures and the steps management has taken to monitor and control such exposures.
- Provide sufficient opportunity for the outside auditors to meet with the members of the Audit Committee without members of management present. Among the items to be discussed in these meetings are the outside auditors’ evaluation of the Company’s financial, accounting, and auditing personnel, and the cooperation that the outside auditors received during the course of the audit.
- Develop procedures for the receipt, retention and treatment of complaints and concerns relating to accounting, internal controls or auditing matters, including procedures to ensure the anonymity of employees submitting concerns regarding questionable accounting or auditing matters.
- Investigate and consider any matter brought to its attention within the scope of its duties, with the power to retain and fund outside counsel or other advisors as necessary or appropriate, in its judgment, to carry out its duties under this charter.
- Ensure that the outside auditors conduct a review in accordance with AU Section 722 of the PCAOB prior to each filing of the Company’s Form 10-Q with the Securities and Exchange Commission.
- Prepare the report of the Audit Committee required pursuant to the rules promulgated by the Securities and Exchange Commission to be included in the Company’s annual proxy statement.
- Review and approve or ratify (or reject or prohibit) any related party transaction which is required to be disclosed under the rules of the Securities and Exchange Commission. As used in this charter, the term

“related party transaction” has the meaning consistent with the definitions provided in Item 404 of Regulation S-K.

- Submit the minutes of all meetings of the Audit Committee to, or discuss the matters discussed at each Audit Committee meeting with, the Board, and make such recommendations to the Board as the Audit Committee may deem appropriate.
- Review and reassess the adequacy of this Audit Committee Charter on an annual basis and recommend any proposed changes to the Board for adoption.

In addition, the Audit Committee will perform such other functions as assigned by law, NASDAQ rules, the Company’s charter or bylaws, or the Board. The Company will provide appropriate funding, as determined by the Audit Committee, to compensate the Company’s outside auditors and any outside counsel or other advisor retained by the Committee and to pay any other expenses that are necessary or appropriate for the Committee to carry out its duties.

While the Audit Committee has the responsibilities and powers set forth in this charter, it is not the duty of the Committee to specifically 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. This is the responsibility of management and the outside auditors. Nor is it the duty of the Committee to conduct investigations, to resolve disagreements, if any, between management and the outside auditors, or to assure compliance with laws and regulations or rules of NASDAQ.

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