

**J. W. Mays, Inc.**  
**Audit Committee Charter**

**PURPOSE**

The Audit Committee is appointed by the Board to assist the Board in monitoring (1) the integrity of the financial statements of the Company, (2) the independent auditor's qualifications and independence, (3) the performance of the Company's internal audit function, if any, and independent auditors, and (4) the compliance by the Company with legal and regulatory requirements.

The Audit Committee shall prepare the report required by the rules of the U.S. Securities and Exchange Commission (the "Commission") to be included in the Company's annual proxy statement.

**COMMITTEE MEMBERSHIP**

The Audit Committee shall consist of no fewer than three members. The members of the Audit Committee shall meet the independence and experience requirements of the NASD, Section 10A(m)(3) of the Securities Exchange Act of 1934 (the "Exchange Act") and the rules and regulations of the Commission.

The members of the Audit Committee shall be appointed by the Board. Audit Committee members may be replaced by the Board.

**COMMITTEE AUTHORITY AND RESPONSIBILITIES**

The Audit Committee shall have the sole authority to appoint or replace the independent auditor (subject, if applicable, to shareholder ratification). The Audit Committee shall be directly responsible for the compensation and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The independent auditor shall report directly to the Audit Committee.

The Audit Committee shall pre-approve all audit and non-audit services and shall approve all engagement fees and terms. The Audit Committee shall consult with management but shall not delegate these responsibilities. The Audit Committee shall be involved in the hiring process of senior financial officers and other positions, and will approve management's decisions relating thereto.

The Audit Committee may form and delegate authority to subcommittees consisting of one or more members when appropriate, including the authority to grant pre-approvals of audit and permitted non-audit services, provided that decisions of such subcommittee to grant pre-approvals shall be presented to the full Audit Committee at its next scheduled meeting.

The Audit Committee shall have the authority, to the extent it deems necessary or appropriate, to retain independent legal, accounting or other advisors. The Company shall provide for appropriate funding, as determined by the Audit Committee, for payment of compensation to the independent auditor for the purpose of rendering or issuing an audit report and to any advisors employed by the Audit Committee.

The Audit Committee shall take the following actions in connection with any investigation relating to any alleged deviation from standards of conduct affecting the financial statements or operations of the Company: (a) the persons conducting such investigation shall be and remain independent during its entirety; (b) the Audit Committee shall designate at least one of its members to inform the entire Board of any such deviations and the results of such investigation; and (c) the Audit Committee shall designate at least one of its members to liaise with Company personnel and others (including legal, accounting and other advisors) and to determine the method and timing of such interactions and communications.

Upon completion of any investigation, a document will be created describing pertinent facts and findings, including the amount and nature of any loss, time period involved, description of any illegal activity, identities and positions of individuals involved, how the illegal activity was discovered, deficiencies in the internal control system and other factors that may have contributed to the illegal activity, measures taken to guard against a recurrence, and a description of actions proposed or taken against any persons involved, including any amounts recovered as restitution. Access to information regarding the investigation shall be restricted to persons having a legitimate "need to know", with due regard to the sensitivity of these matters and protection of applicable attorney-client and other privileges. JW Mays, Inc.'s attorneys shall be responsible for making any required notices to governmental and other authorities.

The Audit Committee shall meet as often as it determines, but not less frequently than two times each year. A calendar of meeting dates shall be established to ensure that important matters that would affect internal control over financial reporting are appropriately considered by the Audit Committee in consultation with its legal, accounting and other advisers. The Audit Committee may request any officer or employee of the Company or the Company's outside counsel or independent auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee. The Audit Committee shall meet with management, any internal auditors and the independent auditor in separate executive sessions.

The Audit Committee shall make regular reports to the Board. The Audit Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

A draft agenda shall be prepared and circulated prior to each Audit Committee meeting to allow Audit Committee members to have adequate time to prepare for any such meeting and/or to suggest changes or additions to such draft agenda.

## FINANCIAL STATEMENT AND DISCLOSURE MATTERS

The Audit Committee, to the extent it deems necessary or appropriate, shall:

1. Review and discuss with management and the independent auditor the annual audited financial statements, including disclosures made in management's discussion and analysis, and recommend to the Board whether the audited financial statements should be included in the Company's Form 10-K.
2. Review and discuss with management and the independent auditor the Company's quarterly financial statements prior to the filing of its Form 10-Q, including disclosures made in management's discussion and analysis and the results of the independent auditor's review of the quarterly financial statements.
3. Discuss with management and the independent auditor significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies.
4. Discuss with management and the Company's independent auditor:
  - (a) All 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; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls.

Review disclosures made to the Audit Committee by the Company's CEO and CFO in connection with their certification of the foregoing for the Form 10-K and Form 10-Q.

5. Discuss with management the Company's earnings press releases.
6. Discuss with management and the independent auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures, if any, on the Company's financial statements.
7. 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.
8. Discuss with the independent auditor the matters required to be discussed by Public Company Accounting Oversight Board Auditing Standard No. 16 relating to the conduct of the audit. In particular, discuss:

- (a) The adoption of, or changes to, the Company's significant auditing and accounting principles and practices as suggested by the independent auditor, any internal auditors or management;
  - (b) The management letter provided by the independent auditor and the Company's response to that letter;
  - (c) Any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to requested information, and any significant disagreements with management; and
  - (d) Uncorrected and corrected misstatements related to accounts and disclosures.
9. Discuss with the independent auditors the matters required to be discussed by Section 10A(k) of the Exchange Act, as follows:
- (a) All critical accounting policies and practices to be used;
  - (b) All alternative treatments of financial information, if any, within generally accepted accounting principles that have been discussed with management of the Company, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditors; and
  - (c) Other material written communications between the independent auditors and the management of the Company, such as any management letter or schedule of unadjusted differences.

**OVERSIGHT OF THE COMPANY'S RELATIONSHIP WITH THE INDEPENDENT AUDITOR**

10. Review and evaluate the lead partner of the independent auditor team.
11. Obtain and review a report from the independent auditor at least annually regarding (a) the independent auditor's internal quality-control procedures, (b) any material issues raised by the most recent internal quality-control review, or peer review, of the firm, 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 firm, (c) any steps taken to deal with any such issues, and (d) all relationships between the independent auditor and the Company. Evaluate the qualifications, performance and independence of the independent auditor, including considering whether the auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence, and taking into account the opinions of management and any internal auditor. The Audit Committee shall present its conclusions with respect to any internal auditor to the Board.

12. Ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law.
13. Recommend to the Board policies for the Company's hiring of employees or former employees of the independent auditor who participated in any capacity in the audit of the Company.
14. Meet with the independent auditor prior to the audit to discuss the planning and staffing of the audit.

### **COMPLIANCE OVERSIGHT RESPONSIBILITIES**

15. Obtain from the independent auditor assurance that Section 10A(b) (Required Response to Audit Committees – Illegal Acts) of the Exchange Act has not been implicated.
16. Obtain reports from management, any senior internal auditing executive and the independent auditor that the Company and its subsidiary/affiliated entities are in conformity with applicable legal requirements and the Company's Code of Business Conduct.
17. Discuss with management and the independent auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports which raise material issues regarding the Company's financial statements or accounting policies.
18. Discuss with the Company's chief legal officer (whether in-house or outside counsel) legal matters that may have a material impact on the financial statements or the Company's compliance policies.
19. Discuss with management and the independent auditor the issues relating to the determinations of "materiality". These determinations and the calculation of "materiality" shall be used as a guideline in focusing on the detailed risks contained within financial statement line items and disclosures of important information. All such determinations shall also include discussions with the Disclosure Committee.

### **COMPLAINTS**

20. 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.

### **LIMITATION OF AUDIT COMMITTEE'S ROLE**

While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit 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 generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the independent auditor. The Audit Committee's role is to make certain that management (including the internal auditor) and the independent auditor act in a manner required to fulfill their responsibilities.

The Company has filed the required certifications with The Nasdaq Stock Market, Inc. for (1) Compliance with the new Audit Committee charter requirement, and (2) Compliance with the new Audit Committee structure and composition requirements.