

SANARA MEDTECH INC.
AUDIT COMMITTEE OF THE BOARD OF DIRECTORS CHARTER

I. Purpose, Scope of Responsibilities, and Authority

The Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Sanara MedTech Inc., a Texas corporation (the “**Company**”), is established by and among the Board to provide assistance to the Board in fulfilling its legal and fiduciary obligations to oversee:

- the integrity of the Company’s financial statements and other financial information provided by the Company to its shareholders, the public, any stock exchange and others;
- the Company’s compliance with legal and regulatory requirements;
- the qualifications and independence of the Company’s registered public accounting firm (the “independent auditor”);
- the performance of the Company’s independent auditor;
- the Company’s systems of disclosure controls and procedures, internal controls over financial reporting, and compliance with ethical standards adopted by the Company; and
- such other matters as are assigned to the Committee by the Board pursuant to this Charter or as mandated under applicable laws, rules and regulations (including the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder, as amended (the “**Act**”)) as well as listing standards of Nasdaq (together, the “**Applicable Requirements**”).

In carrying out its duties and responsibilities, the Committee has the authority to meet with and seek any information it requires from employees, officers, directors, or external parties and to engage outside legal, accounting, or other advisers. The Company shall provide appropriate funding, as determined by the Committee, for payment of compensation to the independent auditor and any advisers that the Committee chooses to engage and for ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties. [Rule 10A of the Act and Nasdaq Rule 5605(c)(3)].

While the Committee has the duties and responsibilities set forth in this Charter, Company management has primary responsibility for the Company’s financial reporting process, including the systems of internal controls over financial reporting and the Company’s independent auditor is responsible for performing an annual audit of the Company’s financial statements in accordance with standards of the Public Company Accounting Oversight Board (“**PCAOB**”) and for expressing an opinion as to the financial statements’ conformity with U.S. Generally Accepted Accounting Principles (“**GAAP**”) and (upon such time as the Company becomes an accelerated or large accelerated filer as defined by the Act) for expressing an opinion as to the adequacy of the Company’s internal control over financial reporting.

The members of the Committee are not employees of the Company and are not responsible for conducting the audit or performing other accounting procedures.

II. Structure, Membership Requirements and Meetings

The Committee shall consist of three or more directors, as determined by the Board, each of whom shall satisfy the independence and financial literacy standards required by Section 240 Rule 10A-3 of the Act and Nasdaq Rule 5605(c)(2)(A), subject to any phase-in periods or cure periods permitted by Rule 10A-3(b)(1)(iv)(A) under the Act, and other Applicable Requirements. At least one member of the Committee shall be an “audit committee financial expert”, as defined by the United States Securities and Exchange

Commission (the “SEC”) under Item 407(d)(5)(ii) of Regulation S-K. Determinations of independence, financial literacy, experience and expertise shall be made by the Board as the Board interprets such qualifications in its business judgment. No member of the Committee shall have participated in the preparation of the financial statements of the Company or any of its subsidiaries in the past three years [Nasdaq Rule 5606(c)(2)(A)(iii)]. Committee members will be appointed by the Board based on the recommendation of the Nominating and Corporate Governance Committee. Committee members shall serve until their successors are elected and may be removed by the Board with or without cause, in its discretion. Vacancies in the Committee shall be filled by action of the Board. Unless a chairperson is elected by the full Board, the members of the Committee may designate a chairperson by majority vote.

The Committee shall meet at least four times per year on a quarterly basis, or more frequently as required. Meetings shall be called by the chairperson of the Committee and briefing materials will be provided to the Committee as far in advance of meetings as practicable. Meetings may be held telephonically or by other electronic means. Committee actions may be taken by unanimous written consent.

The Committee shall maintain minutes of its meetings and records relating to those meetings.

The Committee shall also meet periodically with Company management, the Chief Financial Officer and the Company’s independent auditor in separate executive sessions to review and discuss annual audited financial statements and quarterly financial statements, including the Company’s disclosures under “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and any other matters that the Committee or each of these groups believe should be discussed privately.

III. Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

1. Review this charter at least annually and recommend to the Board any necessary amendments for approval [Nasdaq Rule 5605(c)(1)].
2. Meet with Company management and the independent auditor to review and discuss the Company’s annual financial statements and quarterly financial statements (prior to the Company’s Form 10-K and 10-Q filings or release of earnings), as well as all internal control reports (or summaries thereof). Review other relevant reports or financial information submitted by the Company to any governmental body or the public, including management certifications as required in Item 601(b)(31) of Regulation S-K and relevant reports rendered by the independent auditor (or summaries thereof).
3. Recommend to the Board whether the financial statements should be included in the annual report on Form 10-K and to provide the audit committee report required to be included in the Company’s proxy statement [Item 407(d) of Regulation S-K].

With respect to the independent auditor:

4. Select, appoint (and recommend that the Board submit for shareholder ratification, if applicable), compensate, retain, and oversee the work performed by the independent auditor retained for the purpose of preparing or issuing an audit report or other work for the Company. Review the performance and independence of the independent auditor and remove and replace the independent auditor if circumstances warrant.

The independent auditor will report directly to the Committee and the Committee will oversee the resolution of disagreements between Company management and the independent auditor if they arise [Rule 10A-3(b)(2) of the Act and Nasdaq Rule 5605(c)(3)].

5. Select, retain, compensate, oversee and terminate, if necessary, any other registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company [Rule 10A-3(b)(2) of the Act].
6. Actively engage in dialogue with the independent auditor with respect to any disclosed relationships or services that may affect the independence and objectivity of the independent auditor and take appropriate actions to oversee the independence of the independent auditor [Nasdaq Rule 5605(c)(1)(b)]. Review and preapprove (which may be pursuant to preapproval policies and procedures) both audit and non-audit services to be provided by the independent auditor or other registered public accounting firms. The authority to grant preapprovals may be delegated to one or more designated members of the Committee, whose decisions will be presented to the full Committee at its next regularly scheduled meeting [Rule 2-01(3)(c)(7) of Regulation S-X].
7. Consider whether the independent auditor's provision of permissible non-audit services is compatible with the independent auditor's independence [Rule 10A-3(b)(2) of the Act and Nasdaq Rule 5605(c)(1)(B)].
8. Discuss with the independent auditor matters required to be discussed under the standards of the PCAOB [Item 407(d)(3) (i)(B) of Regulation S-K].
9. Review and discuss with the Company's independent auditor: (a) the independent auditor's responsibilities under GAAP and the responsibilities of the Company's management in the audit process, (b) the overall audit strategy, (c) the scope and timing of the annual audit, (d) any significant risks identified during the auditors' risk assessment procedures, and (e) when completed, the results, including significant findings, of the annual audit.
10. Hold timely discussions with the independent auditor regarding:
 - All critical accounting policies and practices, including any critical audit matters;
 - Any alternative treatments of financial information within GAAP related to material items that have been discussed with Company management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor; and
 - Other material written communications between the independent auditor and Company management, including, but not limited to, the management representation letter and schedule of unadjusted differences [Rule 2-07 of Regulation S-X].
11. Review and discuss with the Company's independent auditor and management (a) any audit problems or difficulties, including difficulties encountered by the Company's independent auditor during its audit work (such as restrictions on the scope of their activities or their access to information), (b) any significant disagreements with Company management and (c) Company management's response to these problems, difficulties or disagreements; and to resolve any disagreements between the Company's auditors and management.
12. Review with Company management and the Company's independent auditor (a) any major issues regarding accounting principles and financial statement presentation, including any significant changes in the Company's selection or application of accounting principles, (b) any significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any critical audit matters and the effects of alternative GAAP methods and (c) the effect of regulatory and accounting initiatives and off-balance sheet structures on the Company's financial statements.

13. Keep the Company's independent auditor informed of the Committee's understanding of the Company's relationships and transactions with related parties that are significant to the Company; and to review and discuss with the Company's independent auditor the auditor's evaluation of the Company's identification of, accounting for, and disclosure of its relationships and transactions with related parties, including any significant matters arising from the audit regarding the Company's relationships and transactions with related parties.

14. Obtain and review all reports and communications required to be submitted by the Company's independent auditor to the Committee under Section 10A of the Securities Exchange Act and other Applicable Requirements. Such reports should describe: (a) such firm's internal quality control procedures, (b) any material issues raised by the most recent internal quality control review, peer review or PCAOB review or inspection of such firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years with respect to independent audits carried out by the such firm, and any steps taken to deal with any such issues, and (c) all relationships between the independent auditor and the Company or any of its affiliates [Item 407(d)(3)(i)(C) of Regulation S-K].

The Committee shall use these reports and communications to evaluate the independent auditor's qualifications, performance, and independence. Further, the Committee will review the experience and qualifications of the lead audit partner each year and determine that all audit partner rotation requirements, as promulgated by applicable rules and regulations, are executed. The Committee will also consider whether there should be rotation of the independent auditor itself. The Committee shall present its conclusions to the Board.

With respect to the Company's financial reporting processes, accounting policies and internal controls:

15. Periodically review the adequacy and effectiveness of the Company's disclosure controls and procedures and the Company's internal control over financial reporting, including any significant deficiencies and significant changes in internal controls.

16. Understand the scope of the independent auditor's review of internal controls over financial reporting and obtain any reports on significant findings and recommendations, together with Company management responses.

17. Receive and review any disclosure from the Company's principle officers made in connection with the certification of the Company's quarterly and annual reports filed with the SEC of: (a) significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize, and report financial data; and (b) any fraud, whether or not material, that involves Company management or other employees who have a significant role in the Company's internal controls.

18. Review major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles; major issues as to the adequacy of the Company's internal controls; and any special audit steps adopted in light of material control deficiencies.

19. Review and discuss with Company management the risks faced by the Company and the policies, guidelines and process by which Company management assesses and manages the Company's risks, including the Company's major financial risk exposures and cybersecurity risks and the steps Company management has taken to monitor and control such exposures.

20. Review and approve all related-party transactions, defined as those transactions required to be disclosed under Items 404(a) and 404(b) of Regulation S-K and Nasdaq Rule 5630(a-b).

21. Establish and oversee procedures for the receipt, retention, and treatment of complaints regarding accounting, internal accounting controls, or auditing matters, including procedures for confidential, anonymous submissions by Company employees regarding questionable accounting or auditing matters [Rule 10A-3(b)(3) of the Act and Nasdaq Rule 5605(c)(3)].

With respect to the Company's compliance programs:

22. Oversee, review, and periodically update the Company's Code of Ethics and Business Conduct and the Company's system to monitor compliance with and enforce this code.

23. Review, with the Company's counsel, legal compliance and legal matters that could have a significant impact on the Company's financial statements.

Other Responsibilities:

24. Perform an annual performance evaluation of the Committee and present the results of the evaluation to the Board.

25. Review, with Company management, the Company's finance function, including its budget, organization, and quality of personnel.

26. Perform any other activities consistent with this Charter, the Company's organizational documents, the Applicable Requirements or as the Committee or the Board otherwise deems necessary or appropriate.