

**AMENDED AND RESTATED CHARTER  
OF THE  
AUDIT COMMITTEE  
OF AMERICAN FINANCE TRUST, INC.**

**Adopted July 5, 2018**

**Purpose of the Committee**

The Audit Committee (the “**Committee**”) is a committee of the Board of Directors (the “**Board**”) of American Finance Trust, Inc. (the “**Company**”). This Amended and Restated Audit Committee Charter (this “**Charter**”) was adopted by the Board of the Company. Among other things, the Committee is responsible for the oversight of the accounting and financial reporting processes of the Company and the audits of the Company’s financial statements. The Committee shall report regularly to the Board and assist the Board in undertaking and fulfilling its responsibilities in monitoring (i) the Company’s financial reporting process, (ii) the integrity of the financial statements of the Company, (iii) the Company’s compliance with legal and regulatory requirements, (iv) the independence and qualifications of the Company’s independent and internal auditors, as applicable, and (v) the performance of the Company’s independent and internal auditors, as applicable.

In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, and facilities of the Company and the authority to engage independent counsel and other advisors as it determines is necessary to carry out its duties. The Company shall provide funding required by the Committee to discharge its responsibilities, including the payment of fees and expenses of the Company’s independent and internal auditors, as applicable, and fees and expenses of other advisors and consultants retained by the Committee pursuant to this Charter.

**Membership of the Committee**

The Committee shall consist of at least three directors, each of whom, in the judgment of the Board, meets the independence and experience requirements of law, rules and regulations applicable to the Company, including the provisions of Section 10A of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), the rules and regulations of the Commission and the NASDAQ Listing Rulebook, each as in effect from time to time. No member of the Committee shall have participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the past three years. Each member of the Committee shall be able to read and understand fundamental financial statements, as determined by the Board, and at least one member of the Committee shall, in the judgment of the Board, have the requisite accounting or financial management expertise to qualify as an “audit committee financial expert,” as defined by the Securities and Exchange Commission (the “**Commission**”).

Members of the Committee may be removed from the Committee, with or without cause, by the Board. The Board shall appoint, from time to time, from among the members of the Committee a chair (“**Chair**”). Any action duly taken by the Committee shall be valid and effective, whether or not the members of the Committee at the time of such action are later determined not to have satisfied the requirements for membership provided herein.

## **Powers and Responsibilities of the Committee**

The powers and responsibilities of the Committee are set forth below. These are in addition to powers and responsibilities that the members of the Committee may have as directors of the Company or as members of other committees of the Board. The Company's management and independent auditor are responsible for the planning and conduct of the annual audit of the Company's financial statements and determining that the Company's financial statements are complete and accurate and prepared in accordance with United States Generally Accepted Accounting Principles ("GAAP"); such function is not the responsibility of the Committee.

The Committee shall:

### **Relationship with the Company's Independent Auditor**

1. Retain (subject in the judgment of the Committee to ratification by the Company's stockholders) and terminate the Company's independent auditor. The independent auditor shall report directly to the Committee.
2. Review with the independent auditor the scope and terms of the prospective annual audit (or other audit, review or attest services for the Company) and such other matters pertaining to the annual audit (or other audit, review or attest services for the Company) as the Committee may deem appropriate.
3. Approve the retention of the independent auditor for any non-audit service that is not a prohibited service and the fee for any such non-audit service.
4. Pre-approve all auditing services, internal control-related services and permitted non-audit services (including the range of fees and terms thereof) to be performed for the Company by the independent auditor, subject to the de minimis exception for non-audit services described in Section 10A(i)(1)(B) of the Exchange Act that are approved by the Committee prior to the completion of the audit.
5. Actively engage in a dialogue with the independent auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent auditor for purposes of taking, or recommending that the full Board take, appropriate action to oversee the independence of the outside auditor.
6. Review a report by the independent auditor at least annually, describing the independent auditor's internal quality-control procedures, any material issues raised by the most recent internal quality-control review, or peer review, of the independent auditor, 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 independent auditor and any steps taken to deal with any such issues, and delineating all relationships between the independent auditor and the Company (which may relate to the independent auditor's independence).
7. Evaluate the qualifications, performance and independence of the independent auditor, including considering whether the independent auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the independent

auditor's independence, and taking into account the opinions of management and internal auditors.

8. Review with the independent auditor, to the extent the independent auditor determines it is appropriate to call to the attention of the Committee, any communications between the Company's audit team and the independent auditor's national office regarding auditing or accounting issues presented by the engagement, including matters of audit quality and consistency.
9. Evaluate the lead audit partner of the independent auditor on the engagement, and ensure that the lead audit partner is rotated every five years.

### **Audit Oversight**

10. Meet with the independent auditor prior to the annual audit to review the scope, planning and staffing of the audit.
11. Obtain from the independent auditor assurance of compliance with applicable independence requirements.
12. Review with the independent auditor the matters required to be discussed by AICPA Statement on Auditing Standards No. 114 (or any successor standard) relating to the conduct of the audit.
13. Review disclosures made to the Committee by the Company's CEO and CFO during their certification process for the Form 10-K and Form 10-Q about any significant deficiencies in the design and operation of internal controls or material weaknesses therein, and any fraud involving management or other employees who have a significant role in the Company's internal controls.
14. Review with the independent auditor any problems or difficulties the auditor may have encountered and management's response and any management or internal control letter provided by the auditor and the Company's response to that letter. Such review should include:
  - Any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to required information and any disagreement with management;
  - Any accounting adjustments that were noted or proposed by the independent auditor but were "passed";
  - Any changes required in the planned scope of the internal audits; and
  - The internal auditor's scope of services, staffing and related fees, if applicable.
15. Resolve disagreements between management and the independent auditor regarding financial reporting.
16. Obtain from the independent auditor assurance that section 10A(b) of the Exchange Act has

not been implicated.

17. Set clear hiring policies for employees or former employees of the independent auditor.
18. Prepare the disclosure required by Item 407(d)(3)(i) of Regulation S-K.

#### **Review of Periodic Statements and Disclosures**

19. Meet to review and discuss with management and the independent auditor the annual and quarterly financial statements of the Company, including reviewing the Company's specific disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the results of the independent auditor's reviews of financial statements, and recommend action to the Board regarding the inclusion of the financial statements in the Company's periodic filings with the Commission.
20. Review analyses prepared by management and the independent auditor of significant accounting and financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including an analysis of any significant changes in the Company's selection or application of accounting principles, all critical accounting policies and practices used, any off-balance sheet financial structures, the use of alternative GAAP methods and the effects of their use, non-GAAP financial measures or information, including the use of "pro forma" or "adjusted" financial data included in financial reporting and the effects of their use and other written material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.
21. Discuss with management the Company's earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies.
22. Review matters that have come to the attention of the Committee through reports of management, legal counsel and others, that relate to the status of compliance and anticipated future compliance with laws, regulations, internal policies and controls, and that may be expected to be material to the Company's financial statements.
23. Review with management and the independent auditor the potential effect of regulatory and accounting initiatives on the Company's financial statements.
24. Review 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.

#### **Review of Controls**

25. Review and discuss with management, and the independent auditor and internal auditor (as applicable), the adequacy of the Company's internal controls, any special audit steps adopted in light of material control deficiencies that could significantly affect the Company's financial statements and the adequacy of disclosures about changes in internal control over financial reporting.
26. Review and discuss with management (including the senior internal audit executive) and the

independent auditor the Company's internal controls report (including management's certification of disclosure controls and procedures and internal controls for financial reporting) and the independent auditor's attestation report prior to the filing of the Company's Annual Report on Form 10-K.

27. Review, at least annually, the then current and future scope of work of the Company's internal auditor, as applicable, including any procedures for implementation of accepted recommendations made by the internal auditor; and review summaries of any formal audit reports issued by the internal auditor.
28. Review the appointment and replacement of the internal auditor, as applicable. The internal auditor shall report directly to the Committee.
29. Review policies with respect to major risk assessment and risk management and review with management the steps taken to monitor and control such exposures.

#### **Ongoing Policies**

30. Review reports from management, the independent auditor and internal auditor (if applicable) that the Company is in compliance with applicable legal requirements and the Company's Code of Business Conduct and Ethics. Advise the Board with respect to the Company's policies and procedures regarding compliance with applicable laws and regulations and with the Company's Code of Business Conduct and Ethics.
31. Engage, as the Committee deems necessary or appropriate, and determine funding for independent legal, accounting or other advisors. The Company shall provide appropriate funding, as determined by the Committee, for payment of compensation to the independent auditor for the purpose of rendering or issuing an audit report or performing other audit, review or attest services for the Company and to any advisors employed by the Committee, as well as funding for the payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.
32. Establish procedures for the (i) receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters, each as required by applicable laws, rules and regulations. Set guidelines for a "whistle-blowing" policy for the Company that would (x) establish procedures to facilitate the reporting of information by an employee who observes or becomes aware of unlawful workplace conduct or conduct that may be harmful to the Company and (y) provide protection to an employee who reports such information
33. Discuss with the Company's general counsel legal matters that may have a material impact on the financial statements or the Company's compliance policies.

#### **Committee Activities**

34. Conduct an annual performance evaluation of the Committee.
35. Annually review and reassess the adequacy of this Charter in light of the operations and responsibilities of the Committee.

36. Undertake such additional activities within the scope of its functions as the Committee may from time to time determine or as may otherwise be required by law, the Company's charter, its bylaws or the Board.

### **Meetings and Procedures of the Committee**

The Chair (or in his or her absence, a member selected by the Committee) shall preside at each meeting of the Committee and set the agenda for each Committee meeting. The Committee shall have the authority to establish its own rules and procedures for notice and conduct of its meetings so long as they are not inconsistent with any provisions of the Company's bylaws that are applicable to the Committee.

The Committee shall meet as often as it determines is necessary to fulfill its responsibilities, but not less frequently than quarterly. The Committee shall meet periodically and separately with management, the independent auditor and internal auditor, and have such other direct and independent interaction with such persons from time to time as the members of the Committee deem appropriate. As permitted in Article IV, Section 4 of the Company's bylaws, any participant in any Committee meeting or review referred to herein may participate by telephone conference.

All non-management directors who are not members of the Committee may attend and observe meetings of the Committee, but shall not participate in any discussion or deliberation unless invited to do so by the Committee, and in any event shall not be entitled to vote. Notwithstanding the foregoing, the Committee may also exclude from its meetings any persons it deems appropriate, including but not limited to, any director who is not a member of the Committee. The Committee may, at its discretion, include in its meetings members of the Company's management, representatives of the independent auditor, the Company's internal auditor, other personnel employed or retained by the Company or any other persons whose presence the Committee believes to be desirable or appropriate.

Written minutes of Committee meetings shall be maintained.

### **Delegation of Duties**

In fulfilling its responsibilities, the Committee shall be entitled to delegate any or all of its responsibilities to a subcommittee of the Committee, another committee of the Board or a committee of independent directors, to the extent consistent with the Company's charter, the Company's bylaws, applicable law, rules and regulations and the rules of any market in which the Company's securities are then listed; *provided* that decisions of such subcommittee to grant pre-approvals shall be presented to the full Committee at its next scheduled meeting.

### **Charter Amendment**

This Charter may be amended only by the affirmative vote of a majority of the Members of the Board.

### **Miscellaneous**

The Company shall indemnify each member of the Committee against any liability or expense actually or reasonably incurred by such person in respect thereof to the extent provided in the Company's bylaws, the Company's charter, and elsewhere in the Company's organizational documents.

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the 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 GAAP and applicable rules and regulations. These are the responsibilities of management and the independent auditor.

The contents of this Charter are not soliciting material, are not deemed filed with the Commission and are not incorporated by reference in any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date of this Charter is first included in the Company's annual proxy statement filed with the Commission and irrespective of any general incorporation language contained in such filing.