

ACADIA HEALTHCARE COMPANY, INC.

AUDIT AND RISK COMMITTEE CHARTER

Purpose

There shall be a committee of the Board of Directors (the “Board”) of Acadia Healthcare Company, Inc. (the “Company”) to be known as the Audit and Risk Committee (the “Committee”). The purpose of the Committee is to (i) assist the Board in its oversight of (A) the quality and integrity of the Company’s financial statements, (B) the Company’s accounting and reporting policies and procedures, (C) the Company’s compliance with legal and regulatory requirements that may have a material impact on the Company’s financial statements, (D) the qualifications, independence and performance of the Company’s external auditor (the “Independent Auditor”), (E) the Company’s disclosure controls and procedures, (F) the Company’s internal control over financial reporting and (G) the Company’s enterprise risk assessment and risk management system; (ii) provide the Board with the results of the Committee’s monitoring and recommendations derived therefrom; (iii) prepare the report of the Committee required to be included in the Company’s annual report or proxy statement; and (iv) provide to the Board such additional information and materials as it may deem necessary to make the Board aware of significant financial matters that require the attention of the Board. In addition, the Committee will undertake those specific duties and responsibilities listed below and such other duties as the Board may from time to time prescribe.

The Committee represents and assists the Board in its general oversight of the Company’s accounting and financial reporting processes, audits of the financial statements, internal control and audit functions and enterprise risk. The Committee shall be entitled to rely in good faith on the accuracy and completeness of the information, reports, opinions and statements provided to the Committee by management and the Independent Auditor in carrying out its oversight responsibilities. Notwithstanding the responsibilities and powers of the Committee set forth in this charter (as amended, this “Charter”), the Committee does not have the responsibility to plan or conduct audits, determine whether or not the Company’s financial statements are complete, accurate and in accordance with generally accepted accounting principles (“GAAP”) or guarantee the accuracy thereof or conduct investigations to assure compliance with laws and regulations or the Company’s standards of business conduct, codes of ethics, internal policies, procedures, and controls. Management is responsible for (i) the preparation, presentation and integrity of the Company’s financial statements; (ii) accounting and financial reporting principles; (iii) the Company’s internal controls and procedures designed to promote compliance with accounting standards and applicable laws and regulations; and (iv) the Company’s enterprise risk assessment. The Independent Auditor is responsible for performing an independent audit of the Company’s financial statements in accordance with generally accepted auditing standards. Nothing in this Charter is intended to preclude or impair the protection provided in Section 141(e) of the Delaware General Corporation Law for good faith reliance by members of the Committee on reports or other information provided by others. The Board also recognizes that meeting the responsibilities of an audit and risk committee requires a degree of flexibility. To the extent that procedures included in this Charter go beyond what is required of an audit and risk committee by existing law and regulation, such procedures are meant to serve as guidelines rather than inflexible rules and the Committee may adopt such different or additional procedures as it deems necessary from time to time.

Composition of the Committee

The Committee shall consist of three or more directors, each of whom (i) meets the applicable director independence requirements of listing standards of The NASDAQ Global Select Market (or the listing requirements for any other exchange or trading system that is the primary exchange or system for trading of the Company's listed common stock) (as applicable, the "Listing Requirements"), and any other requirements of applicable laws and regulations, and (ii) the applicable heightened independence requirements for members of an audit committee contained in Rule 10A-3(b) promulgated under the Securities Exchange Act of 1934, as amended (together with the rules and regulations promulgated thereunder, the "Exchange Act"), all as determined by the Board. Each member of the Committee must not have participated in the preparation of the financial statements of the Company at any time during the past three years and must be able to read and understand fundamental financial statements and otherwise meet the financial sophistication standard established by applicable Listing Requirements, as interpreted by the Board in its business judgment. In addition, at least one member of the Committee shall be an "audit committee financial expert" (the "Financial Expert") as that term is defined in the Item 407(d)(5)(ii) of Regulation S-K, as promulgated by the Securities and Exchange Commission (the "SEC"). The designation of the Financial Expert shall be made by the Board in its business judgment at least annually. The designation or determination by the Board of a person as the Financial Expert will not impose on such person individually, on the Committee, or on the Board as a whole, any greater duties, obligations or liability than would exist in the absence of such designation or determination. All other members of the Committee shall be financially literate. To effectively perform his or her role, each Committee member will obtain an understanding of the detailed responsibilities of Committee membership as well as the Company's business, operations and risks.

The members of the Committee shall be appointed by the Board. Members of the Committee shall serve for such terms as the Board may determine, or until their earlier resignation, death or removal by the Board. The members of the Committee may be removed by a majority vote of the Board in its complete discretion. Subject to applicable law, regulations and the Listing Requirements, the Board will have the power to at any time change the size and membership of the Committee and to fill any vacancy on the Committee by a majority vote of the Board; provided, that any new member satisfy the requirements of this Charter. The Board will designate a chairman of the Committee or, if it does not do so, the members of the Committee will elect a chairman by majority vote. The rules and procedures of the Committee will be governed by this Charter, any guidelines adopted by the Board from time to time, the Company's bylaws and applicable law.

Meetings

The Committee shall meet with such frequency and at such intervals as it shall determine is necessary to carry out its duties and responsibilities, but in any case, not less than four times a year. The Committee will meet at such times as determined by its chairperson or as requested by a majority of its members. Notice of all meetings shall be given, and waiver thereof determined, and all actions of the Committee shall be taken, pursuant to and in accordance with the Company's bylaws. The chairperson will preside, when present, at all meetings of the Committee. The Committee may meet by telephone or video conference and may take action by written consent.

Each member of the Committee shall have one vote. One-third of the members, but not less than two members, shall constitute a quorum. The Committee shall be authorized to take any permitted action only by the affirmative vote of a majority of the Committee members present at any meeting at which a quorum is present, or by the unanimous written consent of all of the Committee members. Any such written consent shall have the same force and effect as a unanimous vote of the Committee.

The Committee shall maintain copies of minutes of each meeting of the Committee and each written consent to action taken without a meeting, reflecting the actions so authorized or taken by the Committee. Such minutes shall be distributed to each Committee member for such member's approval and, upon such approval, made available to the members of the Board. At each Board meeting, the chairman of the Committee or a Committee member designated by the chairman, will make a report to the Board of the Committee's meetings, actions taken at any meetings or by consent and recommendations made since the most recent Board meeting, in each case except to the extent such matters have been addressed in an interim report circulated by the Committee.

The Committee may invite such members of management and other persons to its meetings as it may deem desirable and appropriate. More specifically, the Committee may request (i) any officer or employee of the Company, (ii) the Company's outside counsel, (iii) the Independent Auditor or (iv) any other person as the Committee deems to be appropriate to attend any meeting (or portions thereof) of the Committee or to meet with any members of or consultants to the Committee and to provide such information as the Committee deems necessary or desirable. The Committee will meet separately with the Chief Executive Officer ("CEO") of the Company and separately with the Chief Financial Officer ("CFO") of the Company at such times as the Committee deems appropriate to review the matters within the scope of the Committee's responsibilities. The Committee will meet separately with the Independent Auditor, at such times as it deems appropriate, to fulfill the responsibilities of the Committee under this Charter.

The Committee may adopt its own rules of procedure not inconsistent with (i) this Charter, (ii) the bylaws of the Company, (iii) the laws of the State of Delaware, (iv) the Company's Code of Conduct and (v) the Listing Requirements.

Delegation

The 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 pursuant to Section 10A(i)(3) of the Exchange Act and any related rules and regulations promulgated thereunder by the SEC, provided that decisions of such subcommittee to grant pre-approvals shall be presented to the full Committee at its next scheduled meeting.

External Advisors

The Committee shall have the authority, resources and reasonable funding (which shall be provided by the Company) necessary to discharge its duties and responsibilities, including the authority to select, retain, terminate and approve the fees, costs and other retention terms of

outside counsel, experts and other professional advisors it deems appropriate to assist in the performance of its functions, as determined by the Committee, without seeking approval from the Board or management. The Company shall pay ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties. Subject to applicable laws and regulations, any outside counsel, accountants, experts and other professional advisors retained by the Committee may, but need not be, in the case of outside accountants, the same accounting firm employed by the Company for the purpose of rendering or issuing the audit report of the Company's financial statements or, in the case of outside counsel, experts or other professional advisors, otherwise engaged by the Company for any purpose. Any communications between the Committee and legal counsel in the course of obtaining legal advice will be considered confidential and privileged communications of the Company and the Committee will take all necessary steps to preserve the confidential and privileged nature of those communications. The Committee shall have full, unrestricted access to Company records.

Duties and Responsibilities

The Committee's primary responsibilities include, but are not limited to:

Engagement and Oversight of Independent Auditor

1. Be directly responsible for appointing, compensating (including all audit engagement fees and terms), retaining and overseeing the work of the Independent Auditor (including resolving disagreements between management and the Independent Auditor regarding financial reporting). In this regard, the Committee shall appoint and retain, subject to ratification by the Company's stockholders, compensate (at the Company's expense), evaluate, and terminate, when appropriate, the Independent Auditor. The Independent Auditor shall report directly to the Committee.
2. Establish policies and procedures for the engagement of the Independent Auditor to provide audit and permissible non-audit services, which shall include pre-approval of all permissible non-audit services to be provided by the Independent Auditor (and subsequent approval of non-audit services in those circumstances where it is necessary and permissible). The Committee shall have the responsibility and authority to approve, in advance of the provision thereof, all audit services and, subject to the de minimis exception of Section 10A(i) of the Exchange Act and the SEC rules promulgated thereunder, all permitted non-audit services, to be provided to the Company by the Independent Auditor. By approving the audit engagement, an audit service within the scope of engagement shall be deemed to have been pre-approved. The Committee shall have the sole authority to approve any compensation payable by the Company for any approved audit or non-audit services to the Independent Auditor, including the fees, terms and conditions for the performance of such services, which amounts shall be paid by the Company.
3. At least annually:
 - (i) review with the Independent Auditor the written statement required by the Independence Standards Board Standard No. 1, as amended, concerning any relationships between the Independent Auditor and the Company, or any other disclosed relationships

or services that, in the judgment of the Committee, may impact the objectivity or independence of the Independent Auditor, and based on such review, assess the independence of the Independent Auditor;

(ii) review and evaluate the performance of the Independent Auditor to include the performance of the lead partner and assess whether lead partner, other audit partners or Independent Auditor rotation is required by SEC rules;

(iii) obtain and review a report from the Independent Auditor 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 Independent Auditor, or by any inquiry or investigation by governmental or professional authorities within the preceding five (5) years respecting one or more independent audits carried out by the Independent Auditor, and (c) any steps taken to deal with any such issues;

(iv) evaluate the qualifications, performance and independence of the Independent Auditor; and

(v) promptly present its conclusions with respect to the Independent Auditor to the Board after such review.

4. Periodically monitor and investigate, as appropriate, any existing relationships between the Company and the Independent auditor, including by actively engaging in a dialogue with the Independent Auditor with respect to any disclosed relationships or services that may impact the objectivity or independence of the Independent Auditor.
5. Review the external audit by (i) reviewing the Independent Auditor's proposed audit plan to include the audit scope, approach, and procedures, (ii) discussing with the Independent Auditor the financial statements and audit findings, including any significant adjustments, management judgments and accounting estimates, significant new accounting policies and disagreements with management and any other matters required to be communicated to audit committees in accordance with AICPA Statement on Auditing Standards No. 114, as may be amended or supplemented from time to time, and (iii) reviewing reports submitted to the Committee by the Independent Auditor.
6. Report the results of the annual audit to the Board. If requested by the Board, invite the Independent Auditor to attend the full Board meeting to assist in reporting the results of the annual audit or to answer questions (alternatively, directors and particularly the other independent directors may be invited to attend the Committee meeting during which results of the annual audit are reviewed).
7. Periodically meet with the Independent Auditor and the internal auditor, separately, without members of management present. Discussions with the Independent Auditor shall include the Independent Auditor's evaluation of the Company's financial, accounting, and internal auditing personnel and performance and the cooperation that the Independent Auditor received during the course of the audit.

Accounting and Financial Reporting

8. Review and discuss reports from the Independent Auditor on (i) all critical accounting policies and practices used by the Company, (ii) alternative treatments of financial information within GAAP related to material items that have been discussed with management, including the ramifications of the use of the alternative treatments and the treatment preferred by the Independent Auditor, (iii) management letters or internal control reports prepared by the Independent Auditor and any related management responses, (iv) any significant difficulties encountered during the course of the audit, including any restrictions on the scope of the Independent Auditor's activities or on access to requested information, and any significant disagreements with management, (v) material written communications between the Independent Auditor and management (including schedules of unadjusted differences), and (vi) applicable laws, rules, listing standards and any requirements of or policies adopted by the Public Company Accounting Oversight Board.
9. Annually obtain from the Independent Auditor a report on compliance with Section 10A of the Exchange Act, containing assurance that the annual audit was conducted in a manner consistent with Section 10A of the Exchange Act.
10. Review and discuss with management and the Independent Auditor the annual audited financial statements and quarterly unaudited financial statements to be included in the Company's Annual Report on Form 10-K or Quarterly Reports on Form 10-Q, as appropriate, including the disclosures under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operation," and receive reports from the Independent Auditor in connection therewith as required by applicable SEC rules and professional standards.
11. Recommend to the Board, based on the foregoing review and discussion, whether the annual audited financial statements should be included in the Company's Annual Report on Form 10-K.
12. Periodically review the significant accounting principles, policies and practices followed by the Company in accounting for and reporting its financial results of operations in accordance with GAAP.
13. Review and discuss with management, if appropriate, material changes to the Company's accounting principles and practices as suggested by the Independent Auditor, the internal auditor, or management.
14. Periodically discuss with management, the internal auditor and the Independent Auditor the effect (or anticipated effect) of new and proposed regulatory and accounting policies and initiatives.
15. Periodically review reports from inside and outside legal counsel and others regarding any legal, regulatory and other matters that may have a material effect on the Company's financial statements.

16. Review annually the effect of off-balance sheet arrangements, if any, on the Company's financial statements.
17. Prepare any reports that are required to be included in the Company's proxy statement and review any disclosures to be made by the Company regarding audit and non-audit services provided by the Independent Auditor.

Internal Control

18. Review on a continuing basis (i) the adequacy and effectiveness of the Company's system of internal control over financial reporting (including any material weaknesses and significant deficiencies) and (ii) any significant changes in such internal control over financial reporting that is reported to the Committee by the Independent Auditor, the internal auditor or management. Such review shall include meeting periodically with the Company's management, the internal auditor, and the Independent Auditor to review their respective assessment of the adequacy of such internal controls.
19. Review any reports by management or the internal auditor regarding the effectiveness of, or any deficiencies in, the design or operation of the Company's internal control over financial reporting and any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control.
20. Review and discuss disclosures made by the CEO and CFO in connection with the certification of the Company's annual and quarterly reports and the matters covered by such disclosures.
21. Institute special investigations with full access to all books, records, facilities and personnel of the Company, when the Committee, in its sole discretion deems such an investigation is necessary.

Internal Audit Function

22. Periodically review the internal audit function of the Company, including the independence of its reporting obligations and the adequacy of the internal audit budget and staffing.
23. Review and approve the appointment and termination of the senior manager responsible for the Company's internal audit function.
24. Review and approve the proposed internal audit plan and have access to all significant reports to management prepared by internal audit personnel and management's responses to such reports. The Committee shall review such reports at the Committee's discretion. In addition, the Committee shall review all summary reports of audits completed by internal audit personnel.

Risk Assessment and Management

25. Review and discuss with management the Company's major financial and enterprise risk exposures including without limitation with respect to the Company's accounting and

financial reporting policies and procedures, risk management protocols, compliance programs and the measures management has taken to mitigate risk.

26. Review with management the risk management process and analysis completed to identify, prioritize, monitor, measure and control such exposures and elicit recommendations for the improvement of the Company's risk assessment and mitigation procedures
27. Review reports from management, the Independent Auditor, the Compliance Committee, legal counsel and outside experts regarding the Company's enterprise risk exposures to ensure that the Committee monitors key corporate risks on an ongoing basis.
28. Review the Company's disclosure of risk factors in filings with the Securities and Exchange Commission.
29. Report to the full Board a summary of the activities of the Committee relating to enterprise risk management oversight and provide an opportunity for a discussion of the most significant risks and related matters.

Related Person Transactions

30. Review and approve in advance related party transactions proposed by management that would be required to be disclosed pursuant to Item 404 of Regulation S-K, as promulgated by the SEC, and establish policies and procedures for the review and approval of such related party transactions.

Earnings and Other Information

31. Review and discuss with management and the Independent Auditor, as appropriate, earnings press releases and other financial information, including any "pro-forma" information or other non-GAAP financial measures, and any earnings guidance to be disseminated to the public, communicated to ratings agencies or included in any Current Report on Form 8-K.

Receipt of Complaints

32. Establish and oversee procedures for receiving, retaining and treating complaints received by the Company regarding accounting, internal accounting controls or auditing matters and procedures for the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
33. Review periodically with management and internal audit these procedures and any significant complaints received.

Employment of Former Audit Staff

34. Establish and periodically review the Company's hiring policies for any employees or former employees of the Independent Auditor, in accordance with the hiring restrictions set forth in the Sarbanes-Oxley Act of 2002.

Other

35. Undertake and review with the Board an annual performance evaluation of the Committee, which shall compare the performance of the Committee with the requirements of this Charter and set forth the goals and objectives of the Committee for the upcoming year. The performance evaluation by the Committee shall be conducted in such manner as the Committee deems appropriate. The report to the Board may take the form of an oral report by the chairman of the Committee or any other member of the Committee designated by the Committee to make this report.

Powers of the Committee

The Committee shall have all of the powers of the Board that are necessary or appropriate for the Committee to fulfill its purposes, engage external advisors and carry out its duties and responsibilities as set forth in this Charter.