

SUCAMPO PHARMACEUTICALS, INC.
AUDIT COMMITTEE CHARTER
Revised March 4, 2015

A. Purpose

The Audit Committee is a committee of the Board of Directors (the “Board”) of Sucampo Pharmaceuticals, Inc. (the “Company”). The purpose of the Audit Committee is to assist the Board’s oversight of the Company’s accounting and financial reporting processes, systems of internal control over financial reporting, and audits of the Company’s financial statements, as well as the quality and integrity of the Company’s financial statements and reports and the qualifications, independence, and performance of the certified public accountants engaged as the Company’s independent registered public accounting firm (the “independent auditor”). The Audit Committee shall also assist the Board in fulfilling its responsibility to oversee the Company’s compliance with legal and regulatory requirements.

B. Structure and Membership

1. Number. The Audit Committee shall consist of at least three members of the Board.
2. Independence. Each member of the Audit Committee shall meet the independence and experience requirements of applicable federal and state law and the listing requirements established by NASDAQ.
3. Financial Literacy. Each member of the Audit Committee must be able to read and understand fundamental financial statements at the time of his or her appointment to the Audit Committee. In addition, at least one member of the Audit Committee shall be an "audit committee financial expert" as defined by Regulation S-K under the Securities Act of 1933, as amended (the “Securities Act”).
4. Chair. Unless the Board elects a Chair of the Audit Committee, the Audit Committee shall elect a Chair by majority vote. The Chair (or in his or her absence, a member designated by the Chair) shall preside at all meetings of the Committee.
5. Compensation. The compensation of Audit Committee members and the Chair of the Audit Committee shall be as determined by the Board.
6. Selection and Removal. Members of the Audit Committee shall be appointed by the Board, upon the recommendation of the Nominating and Corporate Governance Committee. The Board may remove members of the Audit Committee from such committee at any time. Vacancies occurring on the Audit Committee shall be filled by the Board, upon the recommendation of the Nominating and Corporate Governance Committee.

C. Authority and Responsibilities

General

1. The Audit Committee shall discharge its responsibilities, and shall assess the information provided by the Company's management and the Company's independent auditor, in accordance with its business judgment.
2. The Audit Committee's role is one of oversight. The Company's management is responsible for the preparation, presentation, and accuracy of the Company's financial statements, for the appropriateness of the accounting principles and reporting policies that are used by the Company, and for establishing and maintaining effective internal control over financial reporting. The Company's independent auditor is responsible for auditing the Company's financial statements and the effectiveness of the Company's internal control over financial reporting and for reviewing the Company's unaudited interim financial statements.
3. The authority and responsibilities of the Audit Committee to carry out its oversight responsibilities set forth in this Charter do not reflect or create any duty or obligation of the Committee to plan or conduct any audits or to determine or certify that the Company's financial statements are complete, accurate, fairly presented, or in accordance with generally accepted accounting principles or applicable law. The Audit Committee necessarily relies, without independent verification, on the information and documentation provided to it by, and on the representations made by, the Company's management or other employees of the Company, the Company's independent registered public accounting firm, and/or any consultant or professional retained by the Committee, the Board, management or by any Board committee. Accordingly, the Committee's oversight does not provide an independent basis to determine that management has maintained appropriate accounting and financial reporting principles or appropriate internal controls and disclosure controls and procedures designed to assure compliance with accounting standards and applicable laws and regulations. Further, the Committee's authority and oversight responsibilities provide no guarantee that the independent audits of the Company's financial statements have been carried out in accordance with the standards of the Public Company Accounting Oversight Board ("PCAOB"), that the financial statements are presented in accordance with U.S. generally accepted accounting principles, or that the Company's independent registered public accounting firm is in fact "independent".

Oversight of Independent Auditors

1. **Selection.** The Audit Committee shall be solely and directly responsible for appointing, evaluating, retaining and, if necessary, terminating the engagement of the independent auditor. The Audit Committee may, in its discretion, seek stockholder ratification of the independent auditor it appoints. In evaluating the independent auditor and its continued engagement, the Audit Committee shall from time to time as appropriate review and evaluate the lead partner and the other senior members of the independent audit team assigned to the Company.
2. **Independence.** The Audit Committee shall take appropriate action to oversee the independence of the independent auditor. In connection with this responsibility, the Audit Committee shall obtain and review the written disclosures and the letter from the independent auditor required by applicable requirements of the PCAOB regarding the independent auditor's communications with the Audit Committee concerning independence. The Audit Committee shall actively engage in dialogue with the independent auditor concerning any disclosed relationships or services that might impact the objectivity and independence of the auditor. The Audit Committee shall confirm with the independent auditor the regular rotation of the lead audit partner and reviewing partner as required by Section 205 of the Sarbanes-Oxley Act of 2002 ("Sarbanes-Oxley").
3. **Quality-Control Report.** At least annually, the Audit Committee shall receive a report by the independent auditor describing any material issues raised by the most recent investigation of the auditor performed by the PCAOB or by any inquiry or investigation by other governmental or professional authorities and any steps taken to deal with any such issues.
4. **Compensation.** The Audit Committee shall have sole and direct responsibility for setting the compensation of the independent auditor. The Audit Committee is empowered to cause the Company to pay the compensation of the independent auditor established by the Audit Committee.
5. **Pre-approval of Services.** The Audit Committee shall pre-approve all audit services to be provided to the Company, whether provided by the principal auditor or other firms, and all other non-audit services to be provided to the Company by the independent auditor. The foregoing approvals may be pursuant to pre-approval policies and procedures established by the Audit Committee including the delegation of pre-approval authority to the Chair of the Committee so long as any such pre-approval decisions are presented to the full Audit Committee at the next scheduled meeting.

6. Oversight. The independent auditor shall report directly to the Audit Committee, and the Audit Committee shall have sole and direct responsibility for overseeing the work of the independent auditor, including resolution of disagreements between Company management and the independent auditor regarding financial reporting and audit matters. In connection with its oversight role, the Audit Committee shall, from time to time as appropriate, receive and consider the reports required to be made by the independent auditor regarding:

- critical accounting policies and practices;
- alternative treatments within generally accepted accounting principles for policies and practices related to material items that have been discussed with Company management, including 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.

The Audit Committee shall also, from time to time as appropriate, review with the independent auditor:

- any audit problems or difficulties the independent auditor encountered in the course of the audit work and management’s response, including any restrictions on the scope of the independent auditor’s activities or on access to requested information and any significant disagreements with management;
- major issues as to the adequacy of the Company’s internal controls and any special audit steps adopted in light of control deficiencies;
- analyses prepared by management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative generally accepted accounting principles (“GAAP”) methods on the financial statements; and
- the effect of regulatory and accounting initiatives on the financial statements of the Company;
- significant risks and uncertainties with respect to the quality, accuracy or fairness of presentation of the Company’s financial statements;

- recently disclosed problems with respect to the quality, accuracy or fairness of presentation of the financial statements of companies similarly situated to the Company and recommended actions which might be taken to prevent or mitigate the risk of problems at the Company arising from such matters;
- any accounting adjustments that were noted or proposed by the auditor but were “passed” (as immaterial or otherwise);
- any communications between the audit team and the audit firm’s national office respecting auditing or accounting issues presented by the engagement;
- accounting for unusual transactions;
- all material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the Company with unconsolidated entities or other persons, that may have a material current or future effect on financial condition, changes in financial condition, results of operations, liquidity, capital resources, capital reserves or significant components of revenues or expenses;
- adjustments arising from audits that could have a significant impact on the Company’s financial reporting process; and
- any recent SEC comments on the Company’s SEC reports, including in particular any unresolved or future compliance comments.

7. Scope of Audit and Interim Reviews. The Audit Committee shall meet with the independent auditor prior to the audit to discuss the scope, planning and staffing of the audit. The Audit Committee shall also, as it deems necessary, meet with the independent auditor from time to time to discuss the scope of their review of any interim financial statements. For each reporting period, the Audit Committee shall also, from time to time as appropriate, review with the independent auditor:

- any recent SEC comments on the Company’s SEC reports, including in particular the quality, as well as the acceptability, of the Company’s accounting determinations, particularly with respect to revenue, earnings, significant items subject to estimate, and other judgmental areas;
- any significant issue or disagreement concerning the Company’s accounting practices or financial statements that is not resolved to its satisfaction; and

- any “red flags,” including significant/unusual transactions at period end; changes in financial statement trends; recording or reversal of reserves; and lack of variation between reported results and analysts’ projections and internal budgets.

To foster free and open communication and to discharge its oversight role, the Audit Committee shall meet in separate executive sessions with Company management, internal auditors, and with the Company’s independent auditors prior to the Company’s filing with the SEC of quarterly and annual reports on Forms 10-Q and 10-K to discuss any matters that the Committee believes should be discussed privately.

Audited Financial Statements

1. Review and Discussion. The Audit Committee shall review and discuss with the Company’s management and independent auditor the Company’s audited financial statements, and other financial disclosures included in the Company’s Annual Report on Form 10-K, including the matters required to be discussed by the Statement on Auditing Standards No. 61, as amended (AICPA, *Professional Standards*, Vol. 1. AU section 380), as adopted by the PCAOB, and the Company’s benefit plans’ financial statements, audited or unaudited.
2. Recommendation to Board Regarding Financial Statements. The Audit Committee shall consider whether to recommend to the Board that the Company’s audited financial statements be included in the Company’s Annual Report on Form 10-K.
3. Audit Committee Report. The Audit Committee shall prepare an annual committee report for inclusion in the proxy statement of the Company relating to its annual meeting of security holders.

Review of Other Financial Disclosures

1. Independent Auditor Review of Interim Financial Statements. The Audit Committee shall direct the independent auditor to perform all reviews of interim financial information prior to public disclosure by the Company of such information; to timely provide and discuss with the Audit Committee and the Chief Financial Officer its reports on the quarterly financial statements prior to public disclosure; and to review and discuss with the Committee any matters identified in connection with the auditor’s review, as required to be communicated under applicable auditing standards. The Audit Committee shall direct management to advise the Audit Committee in the event that the Company proposes to disclose interim financial information prior to completion of the independent auditor’s review of interim financial information.

2. Earnings Release and Other Financial Information. The Audit Committee shall review and discuss with management generally the type and presentation of information to be disclosed in the Company's earnings press releases, as well as financial information and earnings guidance provided to analysts, rating agencies and others. Management shall provide and the Committee shall review all earnings and other financial releases prior to their issuance. The Committee shall review jointly with the Compensation Committee the financial information regarding executive compensation included in the Company's annual proxy statement prior to its release.

3. Quarterly Financial Statements. The Audit Committee shall discuss with the Company's management and independent auditor the Company's quarterly financial statements.

Management's Discussion and Analysis. The Audit Committee shall discuss with the Company's management and independent auditor, as appropriate, the Company's disclosures contained under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations" in its periodic reports to be filed with the SEC.

Oversight of Internal Controls and Risk Management

1. Oversight of Internal Controls and Disclosure Controls and Procedures. The Audit Committee shall coordinate the Board's oversight of the Company's internal control over financial reporting, disclosure controls and procedures, and Codes of Conduct. The Audit Committee shall review and discuss quarterly with the Company's management, independent auditor and any consultant engaged by the Company to perform work related to the Company's compliance with Section 404 of Sarbanes-Oxley, as appropriate, the adequacy and effectiveness of the Company's internal controls over financial reporting and disclosure controls and procedures and the integrity of its financial reporting processes, including recommendations for any improvements in these areas. The Committee shall receive and review the reports of the Chief Executive Officer and the Chief Financial Officer required by Rule 13a-14 under the Exchange Act.

2. Internal Audit Function. The Audit Committee shall evaluate from time to time whether the Company's internal audit function should be outsourced or employee-based. The Audit Committee shall coordinate the Board's oversight of the performance of that function. In this regard, the Audit Committee shall review the appointment of the senior internal auditing manager and shall review any reports to management or the Board from the internal audit department and management's response to such reports.

3. Adequacy of Financial Management Staff; Hiring of Senior Financial Management Personnel. The Audit Committee shall as necessary review the adequacy of the overall size, experience level and budget of the Company's financial management staff. The Audit Committee shall periodically review the experience and qualifications of the individual members of the financial management staff and shall recommend any changes it deems appropriate to the Company's senior management and the Board. The Audit Committee shall direct management to include the Audit Committee in the hiring and interview process with respect to any chief financial officer.

4. Evaluation of Senior Financial Management Personnel. The Audit Committee shall coordinate with the Compensation Committee the ongoing performance evaluation of the Company's senior financial management personnel.

5. Risk Assessment and Management. The Audit Committee shall discuss with the Company's management, internal auditor (if one is appointed), and independent auditor, as appropriate, the Company's guidelines, policies and processes to identify, assess, manage and control the Company's financial and operational risks and shall assess management's steps to manage and control such risks. The Audit Committee shall, at least annually, review the Company's processes to identify, monitor, manage and control financial and operational risks.

6. Management Letters. The Audit Committee shall discuss with the Company's management and independent auditor any management or internal control letter issued or, to the extent practicable, proposed to be issued by the independent auditor and management's response, if any, to such letter, as well as any additional material written communications between the independent auditor and management.

7. Disagreements Between Independent Auditors and Management. The Audit Committee shall review with management and the independent auditor any significant conflicts or disagreements between management and the independent auditor regarding financial reporting, accounting practices or policies and attempt to resolve any conflicts or disagreements regarding financial reporting.

8. Correspondence with Regulators. The Audit Committee shall discuss with the Company's management and independent auditor, as appropriate (and, in the judgment of the Audit Committee, such special counsel, separate accounting firm and other consultants and advisors as the Audit Committee deems appropriate) any correspondence with regulators or governmental agencies and any published reports, in each case that raise material issues regarding the Company's financial statements or accounting policies.

9. Regulatory and Accounting Initiatives. The Audit Committee shall review with counsel and the independent auditor and/or management, as appropriate, any significant regulatory or other legal or accounting initiatives or matters that may have a material impact on the Company's financial statements, or compliance programs and policies if, in the judgment of the Audit Committee, such review is necessary or appropriate.

Non-Financial Compliance Oversight

1. Oversee the Company's major non-financial compliance programs including, but not limited to, the Company's policies and procedures for monitoring health care compliance; product quality and compliance, including quality programs and policies; product safety; privacy; and compliance with the U.S. Foreign Corrupt Practices Act of 1977, as amended);

2. At least annually, review with the Chief Compliance Officer the organization, implementation and effectiveness of the Company's compliance programs, and the adequacy of the resources for those programs, including the compliance programs of newly acquired companies;

3. Review the metrics used by management to provide insight into the Company's compliance and quality systems and organization;

4. At least annually, review with the Chief Compliance Officer the status of the Company's compliance with its Code of Business Conduct and Ethics, Code of Conduct for the Chief Executive Officer and Senior Financial Officers, internal Company policies, and non-healthcare related laws and regulations, including the federal securities laws;

5. The Audit Committee shall review with the Chief Compliance Officer the Company's Code of Business Conduct and Ethics and Code of Conduct for the Chief Executive Officer and Senior Financial Officers annually and any recommended changes to such Codes as the Committee shall deem appropriate;

6. The Audit Committee shall review all related person transactions that would require disclosure under applicable SEC rules and applicable NASDAQ rules and in accordance with the Company's Related Persons Transaction Policy. All such transactions shall be evaluated and either approved or disapproved by the Audit Committee;

7. The Audit Committee shall review, as often as it deems appropriate, the Company's Related Person Transaction Policy and recommend any changes to that policy to the Board.

C. Procedures and Administration

1. Meetings. The Audit Committee shall meet as often as it deems necessary in order to perform its responsibilities, but in no event less than four times per year. A majority of the members of the Audit Committee shall constitute a quorum for the transaction of business.
2. Subcommittees. The Audit Committee may form and delegate authority to one or more subcommittees, as it deems appropriate from time to time under the circumstances (including a subcommittee consisting of a single member).
3. Reports to Board. Minutes of each meeting or action by written consent of the Audit Committee shall be prepared and distributed to each director of the Company and the Secretary of the Company after each meeting, and shall be placed in the Company's minute book. The Committee shall report at least annually to the Board of Directors on (i) the effectiveness of the Company's compliance function; (ii) relevant compliance issues involving the Company of which the Committee has been made aware, including a summary of the results of any compliance investigations conducted by the Company; (iii) any potential patterns of non-compliance identified within the Company; (iv) any significant disciplinary actions of employees whose conduct has been found to violate the Code of Conduct or Business Ethics, Code of Conduct for the Chief Executive Officer and Senior Financial Officers, or Company policies; and (v) any other compliance issues that may expose the Company to substantial risk.
4. Charter. At least annually, the Audit Committee shall review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval.
5. Independent Advisors. The Audit Committee is authorized, without further action by the Board, to engage outside legal, accounting and other advisors as it deems necessary or appropriate to carry out its responsibilities. The Audit Committee shall have sole authority to approve related fees and retention terms and is empowered, without further action by the Board, to cause the Company to pay the compensation of such advisors engaged by the Audit Committee.
6. Investigations. Pursuant to its authority to conduct or authorize investigations into any matters within the scope of its responsibilities, the Audit Committee shall have full access to all books, records, facilities and personnel of the Company as deemed necessary or appropriate by any member of the Audit Committee to discharge his or her responsibilities hereunder. The Audit Committee shall have authority to require that any of the Company's personnel, counsel, accountants (including the independent auditor) or investment bankers, or any other consultant or advisor to the Company attend any meeting of the Audit Committee or meet with any member of the Audit Committee or any of its special legal, accounting or other advisors and consultants.

7. Funding. The Audit Committee is empowered, without further action by the Board, to cause the Company to pay for, among other things, (i) the ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties, (ii) compensation to the independent auditor engaged for the purposes of preparing or issuing an audit report or performing other services for the Company and (iii) compensation to any advisers engaged by the Audit Committee pursuant to this Charter.

8. Annual Self-Evaluation. At least annually, the Audit Committee shall evaluate its own performance to the requirements of its written charter.

9. General Authority. The Audit Committee shall perform such other functions and to have such powers as may be necessary or appropriate in the efficient and lawful discharge of the foregoing. Nothing contained in this Charter is intended to expand applicable standards of liability under statutory or regulatory requirements for members of the Audit Committee or for directors on the Company's Board.

10. Additional Powers. The Audit Committee shall have such other duties as may be delegated to it from time to time by the Board.