

CHARTER OF THE AUDIT COMMITTEE OF

CYTODYN INC.

February 21, 2017

I. PURPOSE

The purpose of the Audit Committee (the “**Committee**”) of the board of directors (the “**Board**”) of CytoDyn Inc. (the “**Company**”) is to oversee (i) the integrity of the Company’s financial statements, the Company’s accounting and financial reporting processes and financial statement audits; (ii) the Company’s compliance with applicable legal and regulatory requirements; (iii) the Company’s systems of internal control over financial reporting and disclosure controls and procedures; (iv) the independent auditor’s engagement, qualifications, performance, compensation and independence; (v) review of related party transactions; and (vi) compliance with the Company’s Code of Business Conduct and Ethics. While the Committee has the responsibilities and powers set forth in this Charter, its function is one of oversight, whereas the planning and conduct of the audit is the responsibility of the independent auditor, and the Financial Statements are the responsibility of the Company’s management.

II. COMPOSITION

The Committee shall consist of three or more directors. Each member of the Committee shall be independent in accordance with the requirements of Rule 10A-3 of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”) and the applicable listing rules of the NASDAQ Stock Market (“**NASDAQ**”).

No member of the Committee can have participated in the preparation of the Company’s or any of its subsidiaries’ financial statements at any time during the past three years.

Each member of the Committee must be able to read and understand fundamental financial statements, including the Company’s balance sheet, income statement and cash flow statement. At least one member of the Committee must have past employment experience in finance or accounting, requisite professional certification in accounting or other comparable experience or background that leads to financial sophistication. At least one member of the Committee must be an “audit committee financial expert” as defined in Item 407(d)(5)(ii) of Regulation S-K. A person who satisfies this definition of audit committee financial expert will also be presumed to have financial sophistication.

No member of the Committee may serve simultaneously on the audit committee of more than three other public companies, unless the Board determines that such simultaneous service would not impair the ability of such member to serve effectively on the Committee and discloses such determination in the Company’s annual proxy statement.

Members shall be appointed by the Board. Members shall serve for such term as the Board may determine or until earlier resignation. The Board may remove any member from the Committee at any time with or without cause.

III. RESPONSIBILITIES

Within the scope of the role of the Committee described above, the Committee is charged by the Board with the responsibility to:

- a. To (1) select and retain (and recommend that the Board submit for shareholder ratification, if applicable) an independent registered public accounting firm to act as the Company's independent auditors for the purpose of auditing the Company's annual financial statements, books, records, accounts and internal controls over financial reporting; (2) set the compensation of the Company's independent auditors; (3) oversee the work done by the Company's independent auditors; and (4) terminate the Company's independent auditors, if necessary.
- b. To 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.
- c. To pre-approve all audit and permitted non-audit and tax services that may be provided by the Company's independent auditors, and establish policies and procedures for the Committee's pre-approval of permitted services by the Company's independent auditors on an on-going basis.
- d. At least annually, to obtain and review a written report by the Company's independent auditors that describes (1) the accounting firm's internal quality control procedures; (2) any material issues raised by the most recent internal quality control review, peer review or Public Company Accounting Oversight Board review or inspection of the firm or by any other inquiry or investigation by governmental or professional authorities in the past five years regarding one or more audits carried out by the firm and any steps taken to deal with any such issues; (3) all relationships between the firm and the Company or any of its subsidiaries; and (4) to discuss with the independent auditors this report and any relationships or services that may impact the objectivity and independence of the auditors.
- e. At least annually, to evaluate the qualifications, performance and independence of the Company's independent auditors, including an evaluation of the lead audit partner; and to assure the regular rotation of the lead audit partner at the Company's independent auditors and consider regular rotation of the accounting firm serving as the Company's independent auditors.
- f. To review and discuss with the Company's independent auditors a report from such auditor describing (1) the auditors' responsibilities under generally accepted auditing standards and the responsibilities of management in the audit process; (2) the overall audit strategy; (3) the scope and timing of the annual audit; (4) any significant risks identified during the auditors' risk assessment procedures; and (5) when completed, the results, including significant findings, of the annual audit.
- g. To review and discuss with the Company's independent auditors (1) all critical accounting policies and practices to be used in the audit; (2) all alternative treatments

of financial information within generally accepted accounting principles (“GAAP”) that have been discussed with management, the ramifications of the use of such alternative treatments and the treatment preferred by the auditors; and (3) other material written communications between the auditors and management.

- h. To review and discuss with the Company’s independent auditors and management (1) any audit problems or difficulties, including difficulties encountered by the Company’s independent auditors during their audit work (such as restrictions on the scope of their activities or their access to information); (2) any significant disagreements with management; (3) management’s response to these problems, difficulties or disagreements; and (4) to resolve any disagreements between the Company’s auditors and management.
- i. To review with management and the Company’s independent auditors: any major issues regarding accounting principles and financial statement presentation, including any significant changes in the Company’s selection or application of accounting principles; any significant financial reporting issues and judgments made in connection with the preparation of the Company’s financial statements, including the effects of alternative GAAP methods; and the effect of regulatory and accounting initiatives and off-balance sheet structures on the Company’s financial statements.
- j. To review with management and the Company’s independent auditors the adequacy and effectiveness of the Company’s financial reporting processes, internal control over financial reporting and disclosure controls and procedures, including any significant deficiencies or material weaknesses in the design or operation of, and any material changes in, the Company’s processes, controls and procedures and any special audit steps adopted in light of any material control deficiencies, and any fraud involving management or other employees with a significant role in such processes, controls and procedures, and review and discuss with management and the Company’s independent auditors disclosure relating to the Company’s financial reporting processes, internal control over financial reporting and disclosure controls and procedures, the independent auditors’ report on the effectiveness of the Company’s internal control over financial reporting, where applicable, and the required management certifications to be included in or attached as exhibits to the Company’s annual report on Form 10-K or quarterly report on Form 10-Q, as applicable.
- k. To review and discuss with the Company’s independent auditors any other matters required to be discussed by PCAOB Auditing Standards No. 16, Communications with Audit Committees.
- l. To review and discuss with the Company’s independent auditors and management the Company’s annual audited financial statements (including the related notes), the form of audit opinion to be issued by the auditors on the financial statements and the disclosure under “Management’s Discussion and Analysis of Financial Condition and Results of Operations” to be included in the Company’s annual report on Form 10-K before the Form 10-K is filed.

- m. To recommend to the Board that the audited financial statements and the MD&A section be included in the Company's Form 10-K and produce the audit committee report required to be included in the Company's annual report or proxy statement.
- n. To review and discuss with the Company's independent auditors and management the Company's quarterly financial statements and the disclosure under "Management's Discussion and Analysis of Financial Condition and Results of Operations" to be included in the Company's quarterly report on Form 10-Q before the Form 10-Q is filed.
- o. To review and discuss earnings press releases and corporate practices with respect to earnings releases and financial information and earnings guidance provided to analysts and the investment community.
- p. To review and discuss with management policies and guidelines to govern the process by which management assesses and manages the Company's risks, including the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.
- q. To review the Company's compliance with applicable laws and regulations and to review and oversee any policies, procedures and programs designed to promote such compliance.
- r. To set clear Company hiring policies for employees or former employees of the Company's independent auditors that participated in any capacity in any Company audit.
- s. To establish and oversee procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by Company employees of concerns regarding questionable accounting or auditing matters.
- t. To review, approve and oversee any transaction between the Company and any related person (as defined in Item 404 of Regulation S-K) and any other potential conflict of interest situations on an ongoing basis, in accordance with Company policies and procedures as may be adopted by the Board or a committee thereof from time to time.
- u. To conduct any activities relating to the Company's Code of Business Conduct and
- v. Ethics as may be delegated from time to time to the Committee by the Board.
- w. To review and reassess the adequacy of the Committee's charter on an annual basis.
- x. Perform such other duties and responsibilities as may be assigned to the Committee by the Board.

IV. AUTHORITY

By adopting this Charter, the Board delegates to the Committee full authority to:

- a. Investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the Company.
- b. Delegate such of its authority and responsibilities as the Committee deems proper to subcommittees thereof, subject to all applicable laws and regulations (including without limitation the NASDAQ listing standards).
- c. Appoint a chair of the Committee, unless a chair is designated by the Board.
- d. Select, retain and obtain, in the Committee's sole discretion, the advice of outside counsel, accounting experts or other advisors as the Committee may deem appropriate in its sole discretion. The Committee shall have sole authority to approve related fees and retention terms. The Committee shall have available appropriate funding from the Company as determined by the Committee for payment of: (1) compensation to any accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company; (2) compensation to any advisors employed by the Committee; and (3) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

V. COMMITTEE STRUCTURE AND OPERATIONS

The Committee shall meet in person or telephonically at such times and places as shall be determined by the Committee chairperson. The chairperson, with input from the other members of the Committee and management, shall set the agendas for Committee meetings. A majority of the members of the Committee shall constitute a quorum for purposes of holding a meeting and the Committee may act by a vote of a majority of members present at such meeting. In lieu of a meeting, the Committee may act by unanimous written consent.

The Committee shall maintain minutes containing a summary of the actions taken at each Committee meeting and shall make regular reports to the Board with respect to actions taken by the Committee and areas of the Committee's responsibilities. These reports shall include a review of any issues that arise with respect to the quality and integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements or the performance of the Company's independent auditors.

VI. PERFORMANCE EVALUATION

The Committee shall conduct an annual evaluation of the performance of its duties under this Charter and shall present the results of the evaluation to the Board. The Committee shall conduct this evaluation in such manner as it deems appropriate.