

CYCLO THERAPEUTICS, INC.

AUDIT COMMITTEE CHARTER

I. PURPOSE AND POLICY

The primary purpose of the Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of Cyclo Therapeutics, Inc. (the “Company”) is to assist the Board in fulfilling its oversight responsibilities with respect to: (i) the Company’s accounting and financial reporting processes; (ii) the audits of the Company’s financial statements to be provided to the Company’s stockholders and others; and (iii) the qualifications, independence and performance of the firm or firms of certified public accountants engaged as the Company’s independent outside auditors (the “Auditors”).

In fulfilling this purpose, the policy of the Committee shall be to foster and maintain open avenues of communication among the Committee, the Auditors and management.

II. COMPOSITION

The Committee shall be comprised of at least three (3) members of the Board who, both independently and taken as a group, satisfy the independence and financial literacy requirements of The Nasdaq Stock Market (“Nasdaq”) applicable to the Committee, as in effect from time to time and when and as required by Nasdaq. The members of the Committee shall be appointed by and serve at the discretion of the Board. Vacancies occurring on the Committee shall be filled by the Board. The Board shall designate a Committee member as the chairperson of the committee (the “Chair”), or if the board does not do so, the Committee members shall appoint a Committee member as Chair by a majority vote of the authorized number of Committee members.

III. MEETINGS AND PROCEDURES

The Committee shall meet on a regular basis and shall hold such special meetings as the members of the Committee deem necessary or appropriate. Except as otherwise set forth in this Audit Committee Charter (this “Charter”) or as required by any applicable laws, rules or regulations, the Committee may meet in separate executive sessions with other directors, the chief executive officer and other Company employees, agents or representatives invited by the Committee.

The Committee may establish its own procedures, including the formation and delegation of authority to subcommittees, in a manner not inconsistent with this Charter, the Bylaws of the Company or any applicable laws, rules or regulations. The Chair or majority of the Committee members may call meetings of the Committee. A majority of the authorized number of Committee members shall constitute a quorum for the transaction of Committee business, and the vote of a majority of the Committee members present at a meeting at which a quorum is present shall be the act of the Committee, unless in either case a greater number is required by this Charter, the Bylaws or any applicable laws, rules or regulations. The Committee shall keep written minutes of its meetings and deliver copies of the minutes to the Company’s secretary for inclusion in the Company’s records.

IV. AUTHORITY

The Committee shall have authority to retain, oversee and determine the compensation to be paid by the Company to the Auditors as set forth in Section 10A(m)(2) of the Securities Exchange Act of 1934, as amended. The Committee shall have authority to retain and determine the compensation to be paid by the Company to any special legal, accounting or other advisors or consultants it deems necessary or appropriate in the performance of its duties. The Committee shall also have authority to pay, at the expense of the Company, ordinary administrative expenses determined by the Committee to be necessary or appropriate in carrying out its duties. The 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 Committee to discharge his or her responsibilities hereunder. The Committee shall have authority to require that any of the Company's personnel, counsel, Auditors, investment bankers or any other consultants or advisors to the Company attend any meeting of the Committee or meet separately with any member or members of the Committee or any of its special legal, accounting or other advisors and consultants.

V. RESPONSIBILITIES AND DUTIES

As a general matter, in order to fulfill its purpose, the Committee shall be responsible for carrying out all of the duties specified by this Charter and the various laws, rules and regulations applicable to the Committee. However, except as otherwise specified by such applicable laws, rules and regulations, the Committee's authority has been designed so as to maximize the flexibility of the Committee to supplement or deviate from its prescribed duties when the members of the Committee deem it necessary or appropriate, taken in light of the Committee's purpose and policy stated above, to do so.

Moreover, it shall be the responsibility of management to prepare the Company's financial statements and periodic reports and the responsibility of the Auditors to audit those financial statements. Notwithstanding anything contained in this Charter, these functions shall not be the responsibility of the Committee, nor shall it be the Committee's responsibility to ensure that the financial statements or periodic reports are complete and accurate, conform to generally accepted accounting principles ("GAAP") or otherwise comply with applicable laws. Likewise, nothing in this Charter is intended to preclude or impair the protection provided under applicable corporate law for good faith reliance by members of the Committee on reports or other information provided by others.

Subject to all of the foregoing, it is specifically intended that the Committee shall:

1. *Approval of Audit Engagements.* Review and approve the engagement of the Auditors to perform all proposed audit, review and attest services, including the scope of and plans for the audit, the adequacy of staffing, the compensation to be paid to the Auditors by the Company for such services and the negotiation and execution, on behalf of the Company, of the Auditors' engagement letters, which approval may be pursuant to pre-approval policies and procedures established by the Committee consistent with applicable laws, rules and regulations, including the delegation of pre-approval authority to one or more Committee members so long as any such pre-approval decisions are presented to the full Committee at the next scheduled meeting.

2. *Evaluation and Retention of Auditors.* (i) Evaluate the performance of the Auditors, assess their qualifications, and (ii) determine whether to retain or to terminate the existing Auditors or to appoint and engage new Auditors for the ensuing year.

3. *Approval of Non-Audit Services.* Review and approve engagements of the Auditors to perform any proposed permissible non-audit services, including the scope of the service and the compensation to be paid by the Company to the Auditors for such services, which approval may be pursuant to pre-approval policies and procedures established by the Committee consistent with applicable laws, rules and regulations, including the delegation of pre-approval authority to one or more Committee members so long as any such pre-approval decisions are presented to the full Committee at the next scheduled meeting

4. *Audit Partner Rotation.* Monitor the rotation of the partners of the Auditors on the Company's audit engagement team, as required by applicable laws, rules and regulations.

5. *Auditor Conflicts.* On at least an annual basis, (i) obtain a formal written statement from the Auditors delineating all relationships between the Auditors and the Company consistent with consistent with applicable requirements of the Public Company Accounting Oversight Board, (ii) review and discuss with the Auditors any disclosed relationships and any compensation or services that could affect the Auditors' objectivity and independence, and (iii) assess and otherwise take appropriate action to oversee the independence of the Auditors.

6. *Former Employees of Auditor.* Consider and, if deemed appropriate, adopt a policy regarding Committee pre-approval of employment by the Company of individuals formerly employed by the Auditors engaged on the Company's account.

7. *Audited Financial Statement Review.* Upon completion of the annual audit, (i) review the Company's annual financial statements proposed to be included in the Company's Annual Report on Form 10-K to be filed with the Securities and Exchange Commission (the "SEC") and (ii) recommend whether or not such financial statements should be so included.

8. *Annual Audit Results.* Discuss with management and the Auditors the results of the annual audit, including the Auditors' assessment of the quality (rather than just acceptability) of accounting principles, the reasonableness of significant judgments and estimates, any material audit adjustments proposed by the Auditors and immaterial adjustments not recorded, the adequacy of the disclosures in the financial statements and any other matters required to be communicated to the Committee by the Auditors under generally accepted auditing standards.

9. *Quarterly Results.* Prior to public disclosure of quarterly financial information, if practicable, or filing with the SEC of the Company's Quarterly Report on Form 10-Q, review and discuss with management and the Auditors the results of the Auditors' review of the Company's quarterly financial statements and any other matters required to be communicated to the Committee by the Auditors under generally accepted auditing standards.

10. *Management's Discussion and Analysis.* Review and discuss with management and the Auditors, 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. The Chair of the Committee may represent the entire Committee for purposes of this discussion.

11. *Accounting Principles and Policies.* Review and discuss with management and the Auditors, as appropriate, any significant issues that arise regarding accounting principles and financial statement presentation, including critical accounting policies and practices, the application of those policies and practices, the potential effect of alternative accounting policies and practices available under GAAP, the potential impact of regulatory and accounting initiatives and any other significant reporting issues and judgments.

12. *Management Cooperation with Audit.* Evaluate the cooperation received by the Auditors during their audit examination, including a review with the Auditors of any significant difficulties with the audit or any restrictions on the scope of their activities or access to required records, data and information, significant disagreements with management and management's response, if any.

13. *Management Letters.* Review and discuss with the Auditors and, if appropriate, management, any management or internal control letter issued or, to the extent practicable, proposed to be issued by the Auditors and management's response, if any, to such letter, as well as any additional material written communications between the Auditors and management.

14. *Internal Control Over Financial Reporting.* Confer periodically with management and the Auditors regarding the design, scope, adequacy and effectiveness of the Company's internal control over financial reporting.

15. *Disagreements Between Auditors and Management.* Review and discuss with management and the Auditors any material conflicts or disagreements between management and Auditors regarding financial reporting, accounting practices or policies and to resolve any conflicts or disagreements regarding financial reporting.

16. *Separate Sessions.* Review separately with the Auditors, the internal auditing department, if any, and management any significant difficulties encountered during the course of the audit or any other matters that the Committee, the Auditors or management believe should be discussed privately with the Committee.

17. *Correspondence with Regulators.* Consider and review with management, the Auditors and legal counsel, as appropriate, and, in the judgment of the Committee, such special counsel, separate accounting firm and other consultants and advisors as the Committee deems appropriate, any correspondence with regulators or governmental agencies and any published reports that raises material issues regarding the Company's financial statements or accounting policies.

18. *Complaint Procedures.* Establish procedures, when and as required by applicable laws and rules, for the receipt, retention and treatment of complaints received by the Company regarding its internal control over financing reporting, accounting practices or auditing matters, including any confidential and anonymous submissions by employees of concerns regarding questionable control mechanisms, accounting practices or auditing matters.

19. *Regulatory and Accounting Initiatives.* Review with counsel, the Auditors and management, as appropriate, any significant regulatory, legal, accounting or other initiatives or matters that could have a material impact on the Company's financial statements, compliance programs and policies if, in the judgment of the Committee, such review is necessary or appropriate.

20. *Ethical Compliance.* Review the results of management's efforts to monitor compliance with the Company's programs and policies, including the Company's Code of Business Conduct and Code of Ethics, designed to ensure adherence to applicable laws and rules.

21. *Related-Party Transactions.* Review and, to the extent required by applicable laws, rules and regulations, approve any transactions involving the Company and any related parties.

22. *Investigations.* Investigate any matter brought to the attention of the Committee within the scope of its duties if, in the judgment of the Committee, such investigation is necessary or appropriate.

23. *Proxy Report.* Prepare the report required by the rules of the SEC to be included in the Company's annual proxy statement.

24. *Report to Board.* Report to the full Board with respect to material issues that arise regarding the quality or integrity of the Company's internal control over financial reporting, financial statements, the Company's compliance with legal or regulatory requirements, the performance or independence of the Company's Auditors or such other matters as the Committee deems appropriate from time to time or whenever it shall be called upon to do so.

25. *Review of Other Transactions.* Review and discuss with management and the Auditors, as appropriate: (i) any material off-balance sheet arrangements or other material financial arrangements of the Company that do not appear on the financial statements of the Company and (ii) any transactions with parties related to or affiliated with the Company which are material in size or involve terms different from those reasonably likely to be negotiated with independent third parties and which transactions are relevant to the understanding of the Company's financial statements.

26. *General Authority.* Perform any other functions and have such powers, as the Committee or the Board deems necessary or appropriate, provided that such other functions and powers are consistent with this Charter, the Company's Bylaws and any applicable laws, rules and regulations.

27. *Annual Charter Review.* Review this Charter at least annually and, as appropriate, recommend any changes to the Board.