

BIODELIVERY SCIENCES INTERNATIONAL, INC.

**CHARTER AND POWERS OF THE AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS**

(As amended through July 17, 2014)
(Updated for review January 4, 2019)

A. Purpose

The Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of BioDelivery Sciences International, Inc. (the “**Company**”) has been constituted to represent and assist the Board in its oversight of: (1) the integrity of the Company’s financial reporting and systems of internal accounting control, (2) the independence, qualifications and performance of the Company’s independent registered public accounting firm, and (3) the Company’s compliance with legal and regulatory requirements. The Committee shall also conduct all reviews and investigations and prepare such reports as are required to be prepared by the Committee pursuant to the rules of the Securities and Exchange Commission, the listing standards of any exchange or national listing market system upon which the Company’s securities are listed or quoted for trading, or any other applicable laws or regulations, and review any related party transactions.

B. Members

The Committee shall consist of at least three (3) members of the Board, each of whom: (1) is “independent” as defined in Rule 5605(a)(2) under the Listing Rules of The Nasdaq Stock Market LLC (the “Nasdaq Rules”); (2) meets the criteria for independence set forth in Rule 10A-3(b)(1) promulgated under Section 10A(m)(3) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), subject to the exemptions provided in Rule 10A-3(c) under the Exchange Act; and (3) has not participated in the preparation of the financial statements of the Company or a current subsidiary of the Company at any time during the past three years.

Each member of the Audit Committee shall be able to read and understand fundamental financial statements, including a company’s balance sheet, income statement, and cash flow statement. At least one (1) member of the Audit Committee shall have past employment experience in finance or accounting, requisite professional certification in accounting, or comparable experience or background that results in the individual’s financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities. At least one (1) member of the Committee shall be an “audit committee financial expert” as defined by the Securities and Exchange Commission or applicable stock exchange listing standards.

The members of the Audit Committee shall be appointed by the Board and may be replaced or removed by the Board with or without cause. Resignation or removal of a Director from the Board, for whatever reason, shall automatically constitute resignation or removal, as applicable, from the Audit Committee. Vacancies, for whatever reason, may be filled only by the Board. The Board shall designate one (1) member of the Audit Committee to be Chair (the “Chair”) of the committee.

C. Outside Advisors

The Committee shall have the authority to retain outside legal, accounting or other consultants or advisors as it determines appropriate to assist it in the performance of its functions, or to advise or inform the Committee. The Committee may also meet with investment bankers and financial analysts. The Company shall compensate the independent registered public accounting firm and any advisors retained by the Committee.

D. Duties and Responsibilities

The Committee is responsible for the duties set forth in this Charter, but is not responsible for the preparation of the financial statements or the auditing of thereof. Management has the responsibility for preparing the financial statements and implementing systems of internal and financial reporting controls and the Company's independent registered public accounting firm has the responsibility for auditing the financial statements and monitoring the effectiveness of the Company's systems of internal and financial reporting controls.

On behalf of the Board, the Committee shall, among its duties and responsibilities as may be delegated to the Committee by the Board, and in addition to any duties and responsibilities imparted to the Committee by the Securities and Exchange Commission, the listing standards of any exchange or national listing market system upon which the Company's securities are listed or quoted for trading, or any other applicable laws or regulations:

- Appoint, compensate, retain and oversee the work of the Company's independent registered public accounting firm. In this regard, the Committee shall appoint and retain, subject to approval by the Company's shareholders, compensate, evaluate and terminate, when appropriate, the Company's independent registered public accounting firm, which shall report directly to the Committee.
- Pre-approve all auditing and audit related services and permitted non-audit related services (including the fees and terms thereof) to be performed for the Company by its independent registered public accounting firm.
- Review the annual audited financial statements with management and the Company's independent registered public accounting firm, including the Company's disclosures therein under the caption Management's Discussion and Analysis of Financial Condition and Results of Operations. Also included in such review shall be significant issues and judgments regarding accounting and auditing principles and practices, and the effect of regulatory and accounting initiatives on the Company's financial statements. The Committee shall approve, and recommend to the board for approval, the financial statements that should be included in the Form 10-K.
- Receive reports from the Company's independent registered public accounting firm and management regarding, and review the adequacy and effectiveness of, the Company's internal controls over financial reporting and significant changes in such controls reported

to the Committee by the Company's independent registered public accounting firm or management.

- Review and discuss with management and the Company's independent registered public accounting firm the Company's quarterly financial statements prior to filing the Form 10-Q, including the results of the independent registered public accounting firm's review of them and the Company's disclosures therein under the caption Management's Discussion and Analysis of Financial Condition and Results of Operations.
- Review any major changes to the Company's accounting and financial reporting and practices as suggested by management or the Company's independent registered public accounting firm.
- Review, and discuss as appropriate, the Company's earnings press releases prior to publication, as well as financial information and earnings guidance provided to analysts and rating agencies, including, in general, the types of information to be disclosed and the types of presentations to be made (paying particular attention to the use of "pro forma" or "adjusted" non-GAAP information).
- Discuss with the independent registered public accounting firm those matters brought to the attention of the Audit Committee by the independent registered public accounting firm pursuant to Statement on Auditing Standards No. 61, as amended ("SAS 61").
- Obtain and review, at least annually, a report by the Company's independent registered public accounting firm describing the accounting firm's internal quality-control procedures, and any material issues raised by the most recent internal quality-control review, or peer review, or by any inquiry or investigation by governmental or professional authorities, within the preceding three (3) years, respecting one or more independent audits carried out by the Company's independent registered public accounting firm, and any steps taken to deal with any such issues.
- At least annually, review the independence of the Company's independent registered public accounting firm, and receive from and discuss with such firm its report regarding its independence. The Audit Committee shall comply with PCAOB Rules 3520 and 3526 in regard to the independence of the Company's independent registered public accounting firm. References to rules of the PCAOB shall refer to any substantially equivalent rules adopted to replace, amend or modify those referred to above.
- Meet with the Company's independent registered public accounting firm prior to the audit to review the scope and planning of the audit. Obtain and review all reports and communications from auditors as required by generally accepted audit standards.

- Receive reports from management and the Company's independent registered public accounting firm and management concerning the adequacy and effectiveness of the Company's disclosure controls and procedures.
- Ensure the rotation of the Independent Public Accounting Firm personnel associated with the audit as required under applicable regulations/standards.
- Review with the Company's General Counsel, outside counsel and independent registered public accounting firm any legal matters, contingencies, reports, inquiries or any other issue that may have a material impact on the financial statements.
- Review the Company's Code of Ethical Conduct, the Company's Disclosure Policy and this Charter annually and recommend any changes for approval by the Board.
- Review the Committee's own performance annually.
- Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or other financial reporting matters, including any confidential, anonymous submissions by employees or others of such concerns.
- Establish and monitor policies for hiring employees and former employees of the Company's independent registered public accounting firm.
- Consider such other matters in relation to the financial affairs of the Company, its accounts and the independent audit of the Company, as the Committee may, in its discretion, determine to be advisable.

E. Meetings

The Committee shall meet at least four (4) times per year, either in person or telephonically, and at such times and places as the Committee shall determine. A majority of the members of the Audit Committee shall constitute a quorum for purposes of holding a meeting and the Audit Committee may act by vote of a majority of members present at a meeting. In lieu of a meeting, the Audit Committee may act by unanimous written consent in accordance with the Company's certificate of incorporation. At each such regularly scheduled meeting, the Committee shall meet in separate executive sessions with the Company's executive management, the Company's independent registered public accounting firm and the Committee itself as deemed necessary by the Committee. The Committee shall regularly report its activities to the Board, and shall maintain minutes of its meetings.

F. Amendment

Any amendment or other modification of this Charter shall be made and approved by the Board.

G. Disclosure of Charter

This Charter, as amended from time to time, shall be made available to the public on the Company's website.

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