

KADMON HOLDINGS, INC.
BOARD OF DIRECTORS
AUDIT COMMITTEE CHARTER

Effective as of June 27, 2016

Purpose

The Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of Kadmon Holdings, Inc. (the “Company”) is a standing committee whose purpose is to assist the Board in fulfilling its oversight responsibilities by overseeing the:

1. quality and integrity of the Company’s financial statements and other financial information, accounting and financial reporting process, internal controls and procedures for financial reporting and internal audit functions;
2. audit and other services provided by the Company’s independent auditors, and be directly responsible for the appointment, independence, qualifications, compensation and oversight of the independent auditor, who shall report directly to the Audit Committee; and
3. Company’s compliance with legal and regulatory requirements (in coordination with the Regulatory and Compliance Committee of the Board).

The Committee shall also assist the Board by providing, at the Board’s request, an initial review of, and recommendation to the Board regarding, proposed business transactions.

In furtherance of its purpose, the Committee shall provide an open avenue of communication among the Company’s independent auditors, management and the Board.

This charter defines the roles, authority and responsibility of the Committee.

Committee Membership

The Committee shall be comprised of no fewer than three (3) members. The members of the Committee shall be appointed by the Board on the recommendation of the Nominating and Corporate Governance Committee and may be removed by the Board in its discretion with or without cause. Each member of the Committee shall serve for such term or terms as the Board may determine or until his or her earlier resignation, removal or death. At least annually, the Committee members shall be evaluated by the Board. The Board shall designate one (1) member of the Committee as its chairperson (the “Chairperson”). Each member of the Committee shall be independent within the meaning of such term under the independence requirements for audit committee membership of the New York Stock Exchange (“NYSE”) Listed Company Manual Section 303A.06 and Rule 10A-3 under the Securities Exchange Act of 1934 (the “Exchange Act”) and the rules and regulations of the Securities and Exchange Commission (“SEC”).

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 (1) 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.

None of the members of the Committee shall have participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the past three years. No Committee member may accept any consulting, advisory or other compensatory fee, directly or indirectly from the Company, other than in his or her capacity as a member of the Committee or the Board. No Committee member may be an affiliate of the Company or any subsidiary of the Company, as defined by the rules of the SEC, other than a director who meets the independence requirements of the NYSE. No Committee member shall simultaneously serve on the audit committees of more than two other public companies, unless the Board determines that such service would not impair the member's ability to effectively serve on the Committee.

Committee Structure and Operations

The Committee shall meet at least four (4) times each year and at such other times as the Committee or the Chairperson deems necessary to perform the Committee's responsibilities. It will meet following the end of each fiscal quarter of the Company prior to the release of quarterly or annual earnings to review the financial results of the Company for the preceding fiscal quarter or the preceding fiscal year, as the case may be. The Committee may meet by telephone or video conference. In addition, the Committee may take action by written consent. All meetings of the Audit Committee shall be governed by the same rules regarding notice, quorum and voting requirements as are applicable to the full Board. Written minutes shall be kept for all meetings of the Committee and shall be duly filed in the Company records. The Committee will meet in executive sessions with the Company's independent auditors and management as appropriate. At the request of a Committee member, any of the Company's Chief Executive Officer, General Counsel or any other member of the senior management team may be invited to participate in all or part of any meeting of the Committee. The Committee may delegate authority to one or more members when appropriate, provided that decisions made pursuant to such delegated authority shall be presented to the full Committee at its next scheduled meeting.

In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the Company. The Company shall provide funding, as determined by the Committee, for payment of compensation to the Company's independent auditors and for ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

The Committee shall have the authority, in its sole discretion, to retain and obtain the advice and assistance of independent legal counsel and such other advisors as it deems necessary to fulfill its

duties and responsibilities. The Committee shall set the compensation and oversee the work of any legal counsel and other advisors. The Committee shall receive appropriate funding from the Company, as determined by the Committee in its capacity as a committee of the Board, for the payment of compensation to the Company's independent auditors, any other accounting firm engaged to perform services for the Company, legal counsel and any other advisors to the Committee.

Committee Authority and Responsibilities

The Committee's duties and responsibilities shall include the following:

Review of Financial Statements and Reports

1. Review the Company's financial statements, reports and other financial information, in conjunction with the Company's management and independent auditors, as appropriate. Such review shall include candid discussions of the quality – not merely the acceptability – of the Company's accounting principles as applied in its financial reporting. Reviews shall occur prior to dissemination of the statement, report or other document to a third party or the public. Without limitation, the Committee shall review the following:
 - The annual financial statements and other material financial content of the Company's Annual Report, including, but not limited to, the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," and any certification, report, opinion, attestation or review rendered by the independent auditors.
 - Any quarterly or other interim financial statements and other material financial content of the Company's Quarterly Reports, including any certification, report, opinion or review rendered by the independent auditors.
 - Any other material financial information, such as earnings releases or financial information and earnings guidance provided to analysts, lenders or rating agencies. In lieu of reviewing each such disclosure prior to release or dissemination, the Committee may discuss generally with management the types of information to be disclosed and the types of presentations to be made.
 - Any material internal reports prepared by the Company's independent auditors, internal auditors or management.
 - Management's internal procedures used in the preparation of the Company's financial statements at least annually.
2. Review and discuss with management and the independent auditor the annual and quarterly financial statements (including the related notes) of the Company, including:
 - any material changes in accounting principles or practices used in preparing

- the financial statements prior to the issuance of a report;
- disclosures relating to internal controls over financial reporting; and/or
 - the items required by applicable generally accepted auditing standards relating to the conduct of the audit of annual financial statements or review of interim financial statements.
3. The Chairperson or another member of the Committee may represent the entire Committee for purposes of reviewing quarterly information and other material financial information, such as earnings releases, to the extent permissible under generally accepted auditing standards and other applicable law.

Relationship with Independent Auditors and Internal Auditors

4. Be directly responsible for the appointment, compensation, retention and termination of the independent auditors, for the purpose of auditing the Company's annual financial statements, books, records, accounts and internal controls over financial reporting, and the independent auditors shall report directly to the Committee. The Committee shall have sole authority to determine the compensation to be paid to the independent auditors for any service. The Committee also shall, at least annually, consider and evaluate the qualifications, performance and independence of the independent auditors, including resolution of disagreements between management and the independent auditors.
5. 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.
6. Pre-approve all audit and permitted non-audit services provided to the Company by the independent auditors as well as the related fees. The Committee may delegate pre-approval authority to a member or members of the Committee or may adopt pre-approval policies and procedures, to the extent permitted by applicable laws. Any pre-approvals made pursuant to delegated authority or pre-approval policies and procedures must be presented to the full Committee at its next meeting.
7. Receive a report or report update from the independent auditors on: (i) all critical accounting policies and practices of the Company; (ii) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, including the ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the independent auditors; and (iii) other material written communications between the independent auditors and management.
8. Ensure that it receives a formal written statement from the independent auditors delineating all relationships between the independent auditors and the Company, consistent with the requirements of the Public Company Accounting Oversight Board. The Committee shall engage the independent auditors in a dialogue with

- respect to any disclosed relationships or services that may impact the objectivity and independence of the independent auditors and take appropriate action to oversee the independence of the independent auditors.
9. Keep the independent auditors informed of the Committee's understanding of the Company's relations and transactions with related parties that are significant to the company and to review and discuss with the independent auditors the auditors' evaluation of the Company's identification of, accounting for, and disclosure of its relationships and transactions with related parties, including any significant matters arising from the audit regarding the Company's relationships and transactions with related parties.
 10. Review hiring policies for persons who have been employed by the Company's independent auditors within the past three years.
 11. Review the objectives, activities and staffing of the Company's internal auditors, if any.

Financial Reporting and Auditing Processes

12. Review the integrity of the Company's financial reporting process.
13. Discuss with the independent auditors and management the overall scope, timing and plans for the annual audit.
14. Review with the independent auditors and management the adequacy and effectiveness of the Company's internal controls and procedures for financial reporting, including management's report on the adequacy or effectiveness of internal controls, and the fullness and accuracy of the Company's financial statements. The Committee shall consider the quality of presentation of, among other matters, critical accounting policies, off-balance sheet transactions and financial measures presented on a basis other than in accordance with generally accepted accounting principles.
15. Review the quality and appropriateness of the Company's accounting principles and underlying estimates as applied in its financial reporting, including the independent auditors' judgments concerning the foregoing.
16. Review and discuss with the independent auditors any other matters required to be discussed by *Public Company Accounting Oversight Board Auditing Standards No. 16, Communications with Audit Committees*.
17. In consultation with the independent auditors and management, review any major changes or improvements to the Company's financial and accounting principles and practices, internal controls and procedures for financial reporting and disclosure controls and procedures.
18. As it deems necessary or advisable, discuss with management policies with respect to risk assessment and risk management, including the Company's major financial risk

exposures and the steps management has taken to monitor and control such exposures.

19. At least annually, 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 servicing as the Company's independent auditors.

Legal and Regulatory Compliance

20. Review and approve 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 employees of the Company of concerns regarding questionable accounting or auditing matters.
21. Review and approve all transactions with related persons, as such term is used in Item 404 of Regulation S-K under the Exchange Act, except when it is inappropriate for the Committee to review such transaction due to a conflict of interest. The Committee should consider the facts and circumstances available and deemed relevant, including, but not limited to, the risks, costs and benefits to the Company, the terms of the transaction, the availability of other sources for comparable services or products and, if applicable, the impact on the director's independence. The Committee should approve only those transactions that, in light of the known circumstances, are in, or are not inconsistent with, the best interests of the Company, as determined in the Committee's sole discretion.
22. Review and discuss the Company's policies with respect to risk assessment and risk management, and review contingent liabilities and risks that may be material to the Company and relevant major legislative and regulatory developments that could materially impact the Company's contingent liabilities and risks. To the extent that a review and evaluation of healthcare-related regulatory and compliance issues are relevant to the Committee's responsibilities under this paragraph 21, the Committee may rely on reports, analyses and recommendations of the Regulatory and Compliance Committee.
23. Monitor compliance with the Company's Code of Conduct (the "Code") and to investigate any alleged breach or violation of the Code, and to enforce the provisions of the Code.

Committee Matters

24. Make regular reports to the Board.
25. Review and reassess the adequacy of this charter annually and recommend any proposed changes to the Board for approval.
26. Annually review its own performance.

Limitation of Audit Committee's Role

While the Committee has the duties and responsibilities set forth in this charter, management has primary responsibility for the Company's financial statements and the reporting process, including the systems of internal controls, and the Company's independent auditors are responsible for performing an annual audit of the Company's consolidated financial statements in accordance with auditing standards generally accepted in the United States and for expressing an opinion as to their conformity with generally accepted accounting principles.