

SORRENTO THERAPEUTICS, INC.

AUDIT COMMITTEE CHARTER

I. Introduction

The executive management of Sorrento Therapeutics, Inc., a Delaware Corporation (the “*Corporation*”) is primarily responsible for (A) the completeness and accuracy of its financial reporting and the adequacy of its internal financial and operating controls and (B) the Corporation’s compliance with applicable corporate governance requirements regarding its corporate accounting and reporting practices. The Corporation’s Board of Directors (the “*Board*”) has responsibility to oversee management’s exercise of these responsibilities. To assist the Board, the Corporation has established an Audit Committee (the “*Committee*”) whose authority and responsibilities are described by this charter.

II. Membership

The Committee shall consist of no fewer than three directors, with the exact number established by the Board, each of whom shall be determined by the Board to be “independent” as required by the rules and regulations of the Securities and Exchange Commission (“*SEC*”) and the Nasdaq Stock Market. The Committee’s members, including its chair, are appointed by the Board upon the recommendation of the Board’s Corporate Governance and Nominating Committee. Each member must be able to read and understand financial statements, including the Corporation’s balance sheet, income statement and cash flow statement. No member shall have participated in the preparation of the financial statements of the Corporation at any time during the three (3) years prior to such director’s appointment to the Committee. In addition, at least one member shall be an “audit committee financial expert” within the meaning of the rules and regulations of the Nasdaq Stock Market and the SEC.

The Committee chair and members shall be designated annually by a majority of the full Board, and may be removed, at any time, with or without cause, by a majority of the full Board. Vacancies shall be filled by a majority of the full Board.

III. Power and Authority

In addition to the powers and responsibilities expressly delegated to the Committee in this charter, the Committee may exercise any other powers and carry out any other responsibilities from time to time delegated to it by the Board. The Committee also may conduct or authorize investigations into any matter within the scope of the duties and responsibilities delegated to the Committee.

The powers and responsibilities delegated to the Committee may be exercised in any manner the Committee deems appropriate (including delegation to subcommittees) and without any requirement for Board approval except as otherwise specified in this charter or the Board’s delegation. Any decision by the Committee, including any decision to exercise or refrain from exercising any of its delegated powers, is at the Committee’s sole discretion. While acting within the scope of the powers and responsibilities delegated to it, the Committee may exercise all the powers and authority of the Board and, to the fullest extent permitted by law, has the authority to determine which matters are within the scope of its delegated authority.

The Committee has the authority to retain and compensate independent counsel, consultants and other experts and advisors (accounting, financial or otherwise) and also may use the services of the Corporation’s regular counsel or other advisors to the Corporation. The Corporation will provide appropriate funding, as determined by the Committee, for payment of compensation to the independent auditor for the purpose of

preparing or issuing an audit report or performing other audit, review or attest services, for payment of compensation to any experts or advisors retained by the Committee and for payment of ordinary administrative expenses of the Committee

IV. Meetings

The Committee will determine its own rules of procedure with respect to the call, place, time and frequency of its meetings. In the absence of such rules, the Committee will meet at the call of its chair as appropriate to accomplish the purposes of the Committee, but the Committee will meet on a regularly scheduled basis at least once each quarter and periodically meet separately with management and with the independent auditor. A majority of the members of the Committee will constitute a quorum for the transaction of business. Notice of meetings of the Committee will be given as provided in the Corporation's bylaws. The Committee shall meet as required, keep a record of its proceedings, if appropriate or needed, and report thereon from time to time to the Board.

V. Committee Performance Evaluation

The Committee shall annually conduct an evaluation of its performance in fulfilling its responsibilities and meeting its goals, as outlined below.

VI. Duties and Responsibilities

A. Interactions with the Independent Auditor

1. The Committee has the sole authority and the responsibility to select, evaluate, engage, oversee, determine funding for and, where appropriate, replace the independent auditors, or to nominate the independent auditors to be proposed to the full Board for concurrence or ratification to the extent required by law. The Committee will review with management the performance, appointment and/or termination of the independent auditors.

2. The Committee shall give prior approval of all audit services and any non-audit services permissible pursuant to the Sarbanes-Oxley Act of 2002 performed by the independent auditor for the Corporation. The Committee may establish pre-approval policies and procedures, provided the policies and procedures are detailed as to the particular service, the Committee is informed of each service and such policies and procedures do not include delegation of any of the Committee's responsibilities to the management of the Corporation.

3. The Committee will ensure that the independent auditors provide, at least annually, a formal written statement to the Committee setting forth all relationships between the independent auditors and the Corporation, consistent with applicable rules and requirements. The Committee will discuss with the independent auditors any disclosed relationships or services which may impact the objectivity and independence of the independent auditors. The Committee will take, or recommend that the full Board take, appropriate action to ensure the independence of the independent auditors.

4. The Committee will review with management and the independent auditors the annual audit scope and approach, critical accounting policies and practices, significant internal control issues, record keeping, audit conclusions regarding significant accounting estimates/reserves and proposed fee arrangements for ongoing and special projects. The Committee will instruct the independent auditors and the Corporation's management that the Committee expects to be advised if there are any areas that require special attention.5. The Committee will review with management and the independent auditors their assessments of the

adequacy of internal controls, and the resolution of identified material weaknesses and significant deficiencies in internal controls.

5. For meetings at which the independent auditors are in attendance, the Committee will meet in executive session with the independent auditors, as may be necessary or advisable, to request their opinion on various matters including the Corporation's accounting policies as applied in its financial reporting and the performance of its financial and accounting personnel. The Committee will also discuss privately with the independent auditors any issues or other important matters from time to time required by rules of the SEC, Financial Accounting Standards Board, the Public Corporation Accounting Oversight Board and other regulatory bodies.

6. During executive sessions with the independent auditors, the Committee will review with the independent auditor any problems or difficulties the auditor may have encountered during the course of its audit work, including any restrictions on the scope of its activities or access to required information or any significant disagreements with management and management's responses to such matters.

7. The Committee will review with management and the independent auditors the Corporation's compliance with laws and regulations having to do with accounting and financial reporting matters.

B. Financial Statements

1. The Committee will review with management and the independent auditors, the Corporation's interim and year-end financial statements, including management's discussion and analysis. Such review will include a discussion of significant adjustments recorded or adjustments passed and will conform to applicable rules and requirements. In conjunction with the Committee's review of year-end financial statements, the Committee shall also review audit findings. With regard to the year-end statements, following such review, the Committee will recommend to the Board whether the audited financial statements should be included in the Corporation's annual report on Form 10-K for the fiscal year subject to the audit.

2. The Committee will request from management and the independent auditors, a briefing on any significant accounting and reporting issues, or significant unusual transactions, disagreements and how they were resolved and current developments in the accounting and regulatory areas that may affect the Corporation or its financial statements.

3. The Committee will review with management and the independent auditors disclosures, accounting policies and controls.

4. The Committee will hold timely discussions with the independent registered public accounting firm regarding the following:

- all critical accounting policies and practices;
- all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications or the use of such alternative disclosures and treatments, and the treatment preferred by the independent registered public accounting firm; and
- other material written communications between the independent registered public accounting firm and management including, but not limited to, the management letter and schedule of unadjusted differences.

5. The members of the Committee will discuss among themselves, without management or the independent auditors present, the quality of the accounting policies applied in the preparation of the Corporation's financial statements and significant judgments affecting the financial statements.

C. Other Duties and Responsibilities

1. The Committee will review and approve the internal corporate audit staff functions, including: (i) purpose, authority and organizational reporting lines; (ii) annual audit plan, budget and staffing; (iii) concurrence in the appointment, compensation and rotation of the internal audit management function; and (iv) results of internal audits.

2. As required from time to time by the rules of the SEC and other regulatory bodies, the Committee or a comparable independent body of the Corporation's Board shall conduct an appropriate review of all related party transactions on an on-going basis and all such transactions and potential conflicts of interests referenced in the Corporation's Code of Conduct and Ethics must be approved by the Committee or other comparable independent body of the Board.

3. As required from time to time by the rules of the SEC and by the Nasdaq Stock Market listing standards applicable to the Corporation's securities and other applicable rules, the Committee shall establish and review the adequacy of procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters. Such procedures shall provide for the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

4. The Committee will provide the Corporation with the report of the Committee with respect to the audited financial statements for inclusion in the Corporation's proxy statement.

5. The Committee will discuss with management the Corporation's policies with respect to risk assessment and risk management, significant financial risk exposures and the actions management has taken to limit, monitor or control such exposures.

6. The Committee will discuss with management and the independent auditor the Corporation's earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies. The Committee's discussion in this regard may be general in nature (a discussion of the types of information to be disclosed and the type of presentation to be made) and need not take place in advance of each earnings release or each instance in which the Corporation may provide earnings guidance.