

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS OF ROCKY MOUNTAIN CHOCOLATE FACTORY, INC.

Purpose and Authority

This Charter (“**Charter**”) shall govern the operations of the Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Rocky Mountain Chocolate Factory, Inc., a Delaware corporation (the “**Corporation**”). The purpose of the Charter is to assist and direct the Committee in fulfilling its oversight responsibilities in performing the following primary responsibilities:

- Monitor the Corporation’s accounting and financial reporting processes, systems of internal controls regarding finance and accounting and the audits of the Corporation’s financial statements, including oversight of the Corporation’s internal audit function (if any).
- Monitor the independence, qualifications and performance of the Corporation’s independent auditors.
- Provide a forum for communication among the Board, the independent auditors, and financial and senior management of the Corporation.
- Monitor the risk management policies and procedures of the Corporation.
- Monitor the Corporation’s compliance with legal and regulatory requirements.
- Perform such other duties as are delegated to the Committee by the Board.

The Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities, and personnel of the Corporation and to engage independent counsel and other advisers as it determines necessary in order to carry out its duties.

Composition

Except as otherwise permitted by the applicable rules and regulations of The Nasdaq Stock Market LLC (“**Nasdaq**”), the Committee shall be comprised of three or more directors, each of whom shall meet all requirements for independence promulgated by Nasdaq and set forth in Rule 10A-3(b)(1) under the Securities Exchange Act of 1934, as amended (“**Exchange Act**”), in each case, as determined by the Board. Each member shall be able to read and understand fundamental financial statements, including Corporation’s balance sheet, income statement and statement of cash flows, or will become able to do so within a reasonable period of time after being elected to the Committee, and at least one member shall have past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which 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. Additionally, not less than one member of the Committee shall have been determined by the Board to be, and designated by the Board as, an “audit committee financial expert” as defined in Item 407(d)(5) of Regulation S-K. No member of the Committee may have participated in the preparation of the financial statements of the Corporation or any current subsidiary of the Corporation at any time during the three-year period prior to his or her service as a member of the Committee.

Members of the Committee shall be appointed by the Board to serve until their successors are duly elected and qualified. If a member is unable to serve a full term, the Board shall appoint a replacement. The members of the Committee may be removed, with or without cause, by action of the Board. Unless a chairperson of the Committee (the “**Chairperson**”) is appointed by the full Board, the members of the Committee shall designate a Chairperson by majority vote of the full Committee.

Meetings

The Committee shall meet at least four times each fiscal year, and more frequently as circumstances dictate. The Chairperson or any member of the Committee may call meetings of the Committee. The Committee, or its Chairperson, shall communicate each quarter with the independent auditors and management to review the Corporation's interim financial statements as set forth below. The Committee shall meet at least annually with management and the independent auditors as set forth below. Such meetings and communications shall be either in person, by conference telephone call, via videoconference or other similar means of remote communication, and may be either separate or combined, at the discretion of the Committee. Unless otherwise restricted by the Corporation's certificate of incorporation or bylaws, (a) all meetings of the Committee may be held telephonically, via videoconference or other similar means of remote communication and (b) the Committee may act by unanimous written consent in lieu of a meeting.

The Committee shall periodically meet separately with each of management, the independent auditors and the internal auditor(s), as applicable, to discuss any matters that the Committee or each of these groups believe would be appropriate to discuss privately.

The Committee may invite to its meetings any director, management and such other persons as it deems appropriate in order to carry out its responsibilities. The Committee may also exclude from its meetings any persons it deems appropriate in order to carry out its responsibilities.

A majority of the Committee shall constitute a quorum for the transaction of business and the act of a majority of those present at any meeting at which there is a quorum shall be the act of the Committee.

Committee Responsibilities and Authority

The responsibility of the Committee shall be to oversee the Corporation's financial reporting process on behalf of the Board and to report the results of such oversight activities to the Board and to the shareholders of the Corporation. The responsibility of management is to prepare the Corporation's financial statements. The responsibility of the independent auditors is to audit those financial statements. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time. To fulfill its responsibilities the Committee shall:

Financial Reporting Review

1. Review and reassess the adequacy of this Charter, at least annually, as conditions dictate.
2. Confirm, at least annually, that the members of the Committee continue to meet all Nasdaq requirements for independence.
3. Confirm that the Corporation has made known to the Nasdaq all required certifications regarding the annual review and reassessment of this Charter.
4. Prior to filing, in accordance with Statement of Auditing Standards No. 71 ("**SAS No. 71**"), and considering Statement on Auditing Standards No. 61 ("**SAS No. 61**") as it relates to interim financial information (or such other rules and regulations currently in effect), review with management and the independent auditors (i) the Corporation's quarterly financial results prior to the release of earnings and (ii) the Corporation's Quarterly Reports on Form 10-Q prior to the filing of such reports with the Securities and Exchange Commission ("**SEC**"). The Chairperson may represent the entire Committee for purposes of this review. Review and 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.
5. Prior to distribution, review the Corporation's audited financial statements, and discuss them with

management and with the independent auditors, with specific attention to those matters to be discussed by SAS No. 61.

6. Receive from the independent auditors that formal written statement required by Independence Standards Board Standard No. 1 and discuss with them that statement and their independence from management and the Corporation. Recommend, if appropriate, that the Board take appropriate action in response to the independent auditors' written disclosures to satisfy itself of the independent auditors' independence.
7. Based on the review and discussions set forth above, determine whether to recommend to the Board that the audited financial statements of the Corporation be included in its Annual Report on Form 10-K for filing with the SEC.
8. Prepare the Committee report required by the SEC to be included in the Corporation's annual proxy statement.
9. Review the regular internal reports to management prepared by the financial staff and discuss them with management as necessary. Meet with management and the independent auditor to review and discuss the annual audited financial statements and quarterly financial statements, including the related footnotes, the Corporation's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Corporation's filings with the SEC and the report of the independent auditor thereon and to discuss any off-balance sheet structures and significant issues encountered in the course of the audit work, including any restrictions on the scope of activities, access to required information, significant disagreements with management, the adequacy of internal controls, or the Corporation's internal audit function (if any).
10. Review and discuss with the independent auditors their evaluation of the Corporation's financial reporting processes, both internal and external.
11. Review and discuss with the independent auditors' their judgment about the quality and appropriateness, not just the acceptability, of the Corporation's accounting principles as applied in its financial reporting.
12. Discuss with the independent auditor the matters required to be discussed by the applicable auditing standards adopted by the Public Company Accounting Oversight Board ("**PCAOB**") and approved by the SEC from time to time.

Independent Auditors

13. Select and retain the independent auditor; determine and approve compensation of the independent auditor; resolve disagreements between management and the independent auditor; oversee and evaluate the independent auditor; and, where appropriate, replace the independent auditor, with the understanding that the independent auditor shall report directly to and be overseen by the Committee. Prior to commencement of work on the annual audit by the independent auditors, discuss with them the overall scope and plan for their audit.
14. Pre-approve the retention of the independent auditor for all audit and such non-audit services as the independent auditor is permitted to provide the Corporation and approve the fees for such services, other than de minimis non-audit services allowed by relevant law. The Committee may pre-approve services by establishing detailed pre-approval policies and procedures as to the particular service; provided that the Committee is informed of each service pre-approved and that no pre-approval shall be delegated to management. In considering whether to pre-approve any non-audit services, the Committee shall consider whether the provision of such services is compatible with maintaining the independence of the auditor.

15. Following completion of work on the annual audit, discuss with the independent auditors and management the adequacy and effectiveness of the Corporation's systems of, or any deficiencies in, the design or operation of disclosure controls and procedures or internal controls regarding finance and accounting controls and any fraud, whether or not material, that involves management or other employees who have a significant role in the Corporation's internal controls. Review any report issued by the Corporation's independent auditor regarding management's assessment of the Corporation's internal controls.
16. Discuss with the independent auditor the matters required to be discussed by Statement of Auditing Standards No. 1301 regarding the independent auditor's communications with the Committee (or such other applicable law, rule or regulation currently in effect), together with any other matters as may be required for public disclosure or otherwise under applicable laws, rules and regulations.
17. Ensure that the independent auditor's lead partner and reviewing partner are replaced at least once every five years. Consider, from time to time, whether a rotation of the independent auditing firm would be in the best interests of the Corporation and its shareholders.
18. Ensure that the Committee's approval of any audit services is publicly disclosed pursuant to applicable laws, rules and regulations.

Periodic Assessment of Accounting Practices and Policies and Risk and Risk Management

19. Obtain and review timely reports from the independent auditor regarding (a) all critical accounting policies and practices to be used, (b) all alternative treatments of financial information within generally accepted accounting principles ("GAAP") that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor, and (c) other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.
20. Review (a) major issues regarding accounting principles and financial statement presentations, including any significant changes in the Corporation's selection or application of accounting principles, and major issues as to the adequacy of the Corporation's internal controls and any special audit steps adopted in light of material control deficiencies; (b) analyses prepared by management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements; and (c) the effect of regulatory and accounting initiatives on the financial statements of the Corporation.
21. Review and discuss with management risk assessment, risk management, and the adequacy and effectiveness of the Company's information and technology security policies, procedures and internal controls, including the Corporation's (i) emerging and principal financial and business risk exposures, (ii) cybersecurity and technology risk exposures and (iii) privacy and information security areas. Review and discuss the steps management has taken to monitor and control such exposures.

Process Improvement

22. At least annually, review the qualifications, performance and independence of the independent auditor and present the Committee's conclusions with respect to the independent auditor to the full Board. In conducting its review and evaluation, the Committee will obtain and review a report by the independent auditor (i) describing the firm's internal quality-control procedures; (ii) describing any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, relating to one or more audits carried out by the firm and any steps taken to deal with

any such issues; and (iii) assessing the firm's independence and all relationships between the firm and the Corporation. Review and discuss with the independent auditors and management the extent to which changes or improvements in financial or accounting practices, as approved by the Committee, have been or can be implemented.

Accounting Complaints

23. Establish procedures for (a) the receipt, retention, and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
24. Oversee and review annually the Corporation's Code of Conduct (the "**Code**") (including review of requests of waivers thereof by executive officers and directors) and the Corporation's system to monitor compliance with and enforce the Code, including the Corporation's Whistleblower/Complaint Procedures for Accounting and Auditing Matters, and approve changes to the Code as appropriate.

Legal Matters

25. Review at least annually, with the Corporation's counsel (a) legal compliance matters, and (b) other legal matters that could have an impact on the Corporation's financial statements.
26. Unless otherwise approved or ratified pursuant to the Board's related person transaction policies, the Committee shall review and approve or ratify all transactions between the Corporation and any related person that are required to be disclosed pursuant to Item 404(a) of Regulation S-K. Discuss with the independent auditor its evaluation of the Corporation's identification of, accounting for and disclosure of its relationships with related parties as set forth under the standards of the PCAOB.

Accountability

The independent auditors shall be ultimately accountable to the Board and the Committee; provided that the Committee, in its capacity as a committee of the Board, shall be directly responsible for the appointment, compensation, and oversight of the work of any independent registered public accounting firm employed by the Corporation (including resolution of disagreements between management and the auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work, and each such independent registered public accounting firm shall report directly to the Committee.

Funding

The Corporation shall provide for appropriate funding, as determined by the Committee, in its capacity as a committee of the Board, for payment of compensation to (a) the independent registered public accounting firm employed by the Corporation for the purpose of rendering or issuing an audit report; and (b) to any advisors, including counsel, employed by the Committee in connection with the discharge of its duties.

Evaluation

The Committee shall review and reassess this Charter at least annually and, if appropriate, propose changes to the Board.