

Carolina Trust Bank
Audit Committee Charter

The Audit Committee of Carolina Trust Bank (“Bank”) is appointed by the Board to assist the Board in monitoring (1) the integrity of the financial statements of the Bank, (2) the compliance by the Bank with legal and regulatory requirements, and (3) the independence and performance of the Bank’s internal and external auditors.

The members of the Audit Committee shall meet the independence and experience requirements of the The Nasdaq Stock Market, Inc. which, among other requirements, require that the members of the Audit Committee (1) not be employees of the Bank and (2) have familiarity with basic finance and accounting practices (i.e., be able to read and understand fundamental financial statements, including the Bank’s balance sheet, income statement, and cash flow statement). The Board, on the recommendation of the Executive Committee, shall appoint the members of the Audit Committee.

The Audit Committee shall have the authority to retain special legal, accounting or other consultants to advise the Committee. The Audit Committee may request any officer or employee of the Bank or the Bank’s outside counsel or independent auditor to attend a meeting of the Committee or to meet any members of, or consultants to, the Committee.

The Audit Committee shall make regular reports to the Board.

The Audit Committee shall:

1. Review the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
2. Review the annual audited financial statements with management, including major issues regarding accounting and auditing principles and practices as well as the adequacy of internal controls that could significantly affect the Bank’s financial statements.
3. Review an analysis prepared by management and the independent auditor of significant financial reporting issues and judgments made in connection with the preparation of the Bank’s financial statements.
4. Review with management and the independent auditor the Bank’s quarterly financial statements.
5. Meet periodically with management to review the Bank’s major financial risk exposure and the steps management has taken to monitor and control such exposures.
6. Review major changes to the Bank’s auditing and accounting principles and practices as suggested by the independent auditor, internal auditors or management.

7. Recommend to the Board the appointment of the independent auditor, which firm is ultimately accountable to the Audit Committee and the Board.
8. Approve the fees to be paid to the independent auditor.
9. Review the significant reports to management prepared by the internal auditing department and management's responses.
10. Meet with the independent auditor prior to the audit to review the planning and the staffing of the audit.
11. Obtain from the independent auditor assurance that Sections 10A of the Private Securities Litigation Reform Act of 1995 has not been implicated.
12. Review with the independent auditor any problems or difficulties the auditor may have encountered and any management letter provided by the auditor and the Bank's response to that letter. Such review should include:
 - Any difficulties encountered in the course of the audit work, including any restrictions on the scope of the activities or access to required information.
 - Any changes required in the planned scope of the independent audit.
13. Prepare the reports required by the rules of the applicable regulatory authorities to be included in the Bank's annual proxy statement.
14. Advise the Board with respect to the Bank's policies and procedures regarding compliance with applicable laws and regulations.
15. Review with the Bank's general counsel legal matters that may have a material impact on the financial statements, the Bank's compliance policies and any material reports or inquiries received from regulators or government agencies.
16. Meet at least annually with the Chief Financial Officer, the senior internal audit executive (or outside party) and the independent auditor in separate executive sessions.

While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Bank's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. This is the responsibility of management and the independent auditor. Nor is it the duty of the Audit Committee to conduct investigations, to resolve disagreements, if any, between management and the independent auditor or to assure compliance with laws and regulations.