



MGT CAPITAL INVESTMENTS, INC.

AUDIT COMMITTEE CHARTER

As adopted by the Board of Directors on July 11, 2018

A. Purpose

The purpose of the Audit Committee of the Board of Directors (the "**Board**") of MGT Capital Investments, Inc. (the "**Company**") is to:

1. Assist the Board's oversight of:
 - a. the integrity of the Company's financial statements and its system of internal control;
 - b. the Company's compliance with certain regulatory requirements;
 - c. the performance, qualifications and independence of the Company's registered public accounting firm (the "**external auditors**"); and
 - d. the performance of the Company's internal financial, accounting and reporting controls and other processes.
2. Prepare an audit committee report as required by the Securities and Exchange Commission ("**SEC**") to be included in the Company's annual proxy statement.

B. Structure and Membership

1. **Members.** Except as otherwise permitted by the applicable rules of the NASDAQ Stock Exchange ("**NASDAQ**"), the Audit Committee shall consist of at least three members of the Board, each of whom shall be independent as defined by the NASDAQ rules and Rule 10A-3(b)(1) under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**").
2. **Financial Literacy.** Each member of the Audit Committee must be financially literate, as such qualification is interpreted by the Board in its business judgment. Unless otherwise determined by the Board (in which case disclosure of such determination shall be made in the Company's annual report filed with the SEC), at least one member of the Audit Committee shall be an "audit committee financial expert" (as defined by applicable SEC rules).
3. **Chair.** Unless the Board elects a Chair of the Audit Committee, the Audit Committee shall elect a Chair by majority vote. The Board may appoint the Chair of the Audit Committee upon the recommendation of the Nominating and Corporate Governance Committee.
4. **Compensation.** The compensation of Audit Committee members shall be determined by the Board. No member of the Audit Committee may receive, directly or indirectly, any consulting, advisory or other compensatory fee from the Company other than director's fees.
5. **Selection and Removal.** Members of the Audit Committee shall be appointed by the Board, upon the recommendation of the Nominating and Corporate Governance Committee. Unless otherwise determined by the Board (in which case disclosure of such determination shall, if required, be made in the Company's annual proxy statement), no member of the Audit Committee may serve on the audit committee of more than two other public companies. The Board may remove members of the Audit Committee from such committee, with or without cause.

C. Authority and Responsibilities

1. General. The Audit Committee shall discharge its responsibilities, and shall assess the information provided by the Company's management and the external auditors, in accordance with its business judgment. Management is responsible for the preparation, presentation, and integrity of the Company's financial statements and for the appropriateness of the accounting principles and reporting policies that are used by the Company. The external auditors are responsible for auditing the Company's financial statements and for reviewing the Company's unaudited interim financial statements. The authority and responsibilities set forth in this Charter do not reflect or create any duty or obligation of the Audit Committee to plan or conduct any audit, to determine or certify that the Company's financial statements are complete, accurate, fairly presented, or in accordance with generally accepted accounting principles or applicable law, or to guarantee the external auditors' reports.
2. Oversight of Integrity of Financial Statements
 - a. Review and Discussion. The Audit Committee shall meet to review and discuss with the Company's management and external auditors the Company's audited financial statements, including reviewing the Company's specific disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the matters about which Statement on Auditing Standards No. 61, as amended (AICPA, Professional Standards, Vol. 1., AU §380) requires discussion.
 - b. Recommendation to Board Regarding Financial Statements. The Audit Committee shall consider whether it will recommend to the Board that the Company's audited financial statements be included in the Company's Annual Report on Form 10-K.
 - c. External Auditors' Review of Interim Financial Statements. The Audit Committee shall direct the external auditors to perform reviews of interim financial information prior to disclosure by the Company of such information and to discuss promptly with the Audit Committee and the Chief Financial Officer any matters identified in connection with the auditor's review of interim financial information which are required to be discussed by applicable accounting standards. The Audit Committee shall direct management to advise the Audit Committee in the event that the Company proposes to disclose interim financial information prior to completion of the external auditor's review of interim financial information.
 - d. Quarterly Financial Statements. The Audit Committee shall review and discuss with the Company's management and external auditors the Company's quarterly financial statements, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations."
3. Oversight of Compliance with Certain Regulatory Requirements
 - a. Audit Committee Report. The Audit Committee shall prepare an annual committee report for inclusion where necessary in a proxy or information statement of the Company relating to its annual meeting of security holders.
 - b. Earnings Release and Other Financial Information. The Audit Committee shall review and discuss the Company's earnings press releases (including any use of "pro forma" or "adjusted" non-GAAP information) prior to the issuance of any such releases, and review periodically financial information and earnings guidance provided to analysts, ratings agencies and others.
 - c. Related-Person Transactions. The Audit Committee shall review related-person transactions under the Company's Related Person Transaction Policy and applicable accounting standards on an ongoing basis and such transactions shall be approved by the Audit

Committee.

4. Oversight of Performance, Qualification and Independence of External Auditors

- a. Selection. The Audit Committee shall be responsible for appointing, evaluating and, when necessary, terminating the engagement of the external auditors. The Audit Committee may, in its discretion, seek stockholder ratification of the external auditors it appoints.
- b. Independence. The Audit Committee shall assist the Board in its assessment of the independence of the external auditors. In connection with this assessment, the Audit Committee shall, at least annually, obtain and review a report from the external auditors describing relationships between the external auditors and the Company, including the disclosures required by the applicable requirements of the Public Company Accounting Oversight Board regarding the external auditors' independence. The Audit Committee shall actively engage in dialogue with the external auditors concerning any disclosed relationships or services that might impact the objectivity and independence of the external auditors.
- c. Quality-Control Report. At least annually, the Audit Committee shall obtain and review a report by the external auditors describing:
 - i. the firm's internal quality-control procedures; and
 - ii. 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, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues.
- d. Compensation. The Audit Committee shall be directly responsible for setting the compensation of the external auditors. The Audit Committee is empowered, without further action by the Board, to cause the Company to pay the compensation of the external auditors established by the Audit Committee.
- e. Pre-approval of Services. The Audit Committee shall pre-approve all audit services, whether provided by the principal external auditors or other firms, and all other services (review, attest and non-audit) to be provided to the Company by the external auditors; provided, however, that *de minimis* non-audit services may instead be approved in accordance with the applicable NASDAQ and SEC rules.
- f. Oversight. The external auditors shall report directly to the Audit Committee and the Audit Committee shall be directly responsible for overseeing the work of the external auditors, including resolution of disagreements between Company management and the external auditors regarding financial reporting. In connection with its oversight role, the Audit Committee shall, from time to time as appropriate:
 - i. receive and consider the reports required to be made by the external auditors pursuant to paragraph (k) of Section 10A of the Exchange Act regarding:
 - critical accounting policies and practices;
 - alternative treatments of financial information within generally accepted accounting principles ("**GAAP**") for policies and practices related to material items that have been discussed with Company management, including ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the external auditors; and

- other material written communications between the external auditors and Company management; and
- ii. review with the external auditors:
- any audit problems or difficulties the external auditors encountered in the course of the audit work and management's response, including any restrictions on the scope of the external auditors' activities or on access to requested information and any significant disagreements with management;
 - major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies, if any;
 - analyses prepared by management and/or the external auditors 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
 - the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company.
5. Oversight of Performance of Internal Financial, Accounting and Reporting Controls and Other Processes
- a. Oversight. The Audit Committee shall coordinate the Board's oversight of the Company's internal control over financial reporting, disclosure controls and procedures and the Company's Code of Business Conduct and Ethics. The Audit Committee shall receive and review the reports of the CEO and CFO required by Section 302 of the Sarbanes-Oxley Act of 2002 (and the applicable rules thereunder) and Rule 13a-14 of the Exchange Act.
- b. Procedures for Complaints. The Audit Committee shall establish procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- c. Risk Management. The Audit Committee shall discuss the Company's policies with respect to risk assessment and risk management, including guidelines and policies to govern the process by which the Company's exposure to risk is handled.
- d. Hiring Policies. The Audit Committee shall establish policies regarding the hiring of employees or former employees of the Company's external auditors.

D. Procedures and Administration

1. Meetings. The Audit Committee shall meet in person or telephonically as often as it deems necessary in order to perform its responsibilities. The Audit Committee may also act by unanimous written consent in lieu of a meeting. The Audit Committee shall periodically meet separately with: (i) the external auditors and (ii) Company management. The Audit Committee shall keep such records of its meetings as it shall deem appropriate.
2. Subcommittees. The Audit Committee may form and delegate authority to one or more subcommittees (including a subcommittee consisting of a single member) as it deems appropriate from time to time under the circumstances. Any decision of a subcommittee to pre-approve audit,

review, attest or non-audit services shall be presented to the full Audit Committee at its next scheduled meeting.

3. Reports to Board. The Audit Committee shall provide a report to the Board with respect to its activities as promptly as practicable following each meeting of the Committee. The Audit Committee shall report to the Board with respect to any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements and the performance and independence of the external auditors.
4. Charter. At least annually, the Audit Committee shall review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval.
5. Independent Advisors. The Audit Committee shall have the authority, without further action by the Board, to engage and determine funding for such independent legal, accounting and other advisors as it deems necessary or appropriate to carry out its responsibilities. Such independent advisors may be the regular advisors to the Company. The Audit Committee is empowered, without further action by the Board, to cause the Company to pay the compensation of such advisors as established by the Audit Committee.
6. Investigations. The Audit Committee shall have the authority to conduct or authorize investigations into any matter within the scope of its responsibilities, as it shall deem appropriate, including the authority to request any officer, employee or advisor of the Company to meet with the Audit Committee or any advisors engaged by the Audit Committee.
7. Annual Self-Evaluation. At least annually, the Audit Committee shall evaluate its own performance.
8. Funding. The Audit Committee is empowered, without further action by the Board of Directors, to cause the Company to pay the ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties.
9. Additional Powers. The Audit Committee shall have such other duties as may be delegated from time to time by the Board.