

**CHARTER OF THE AUDIT COMMITTEE
OF THE
BOARD OF DIRECTORS
OF
RICEBRAN TECHNOLOGIES**

A. PURPOSE AND COMPOSITION

This Charter specifies the scope and responsibilities of the Audit Committee of the Board of Directors (the "Board") of RiceBran Technologies (the "Company") and the manner in which those responsibilities shall be performed, including its structure, processes and membership requirements. The primary purpose of the Audit Committee is to oversee the accounting and financial reporting processes of the Company.

Each member of the Audit Committee must be able to read and understand fundamental financial statements, including a balance sheet, income and comprehensive income statement and cash flow statement and have not participated in the preparation of the financial statements of the Company or any current subsidiary at any time in the prior 3 years. In addition, at least one member shall be an audit committee financial expert as determined by the Board in accordance with the rules of the SEC.

The Audit Committee will be made up of no fewer than three (3) members, each of whom shall be independent as defined in the Nasdaq Marketplace Rules and the rules promulgated by the Securities and Exchange Commission under Section 16(b) of the Securities Exchange Act of 1934, as amended. Committee members are appointed by the Board and shall serve until their successors are duly elected and qualified or their earlier resignation or removal. The Board may designate one of the Committee members as the Chair of the Committee.

B. FUNCTIONS

The functions of the Audit Committee are to (a) review the adequacy of the outside and inside auditing and control systems and procedures, (b) review the Company's financial and accounting policies and disclosures and approve changes therein; (c) review the financial statements to be included in the periodic SEC filings with management and the external auditors; and (d) discuss the effects of significant events, transactions and changes in accounting estimates and internal controls, which were considered by the external auditors in performing the quarterly reviews and annual audits and have affected the quality of RiceBran Technologies' financial reporting.

C. DUTIES

1. As related to oversight of the Company's independent auditors:
 - a. Be responsible for the appointment, compensation, retention and oversight of any independent auditor engaged by the Company for the purpose of preparing or issuing an audit report or related work, and each such auditor reporting directly to the Audit Committee.
 - b. Evaluate annually the qualifications, performance and independence of the independent auditor and report to the Board on its conclusions, together with any recommendations for additional action.
 - c. Approve as necessary the termination of the engagement of the independent auditor.

- d. Approve the overall scope of the external auditors' audit.
 - e. At least annually, review the results of the audit with emphasis on the following:
 - The external auditors' opinion of the Company's internal controls.
 - The external auditors' opinion as to the qualifications of financial and control personnel.
 - f. Discuss the external auditors' judgments about the quality, not just acceptability, of the application of accounting principles used and significant judgments affecting the financial statements.
 - g. Periodically review and discuss with the independent auditor (i) the matters required to be discussed by Statement on Auditing Standards No 61, as amended, and (ii) any formal written statements received from the independent auditor consistent with and in satisfaction of Independence Standards Board Standard No. 1, as amended.
 - h. Regularly review with the independent auditor any significant difficulties encountered during the course of the audit, any restrictions on the scope of work or access to required information and any significant disagreement among management and the independent auditor in connection with the preparation of the financial statements.
 - i. Approve in advance the engagement of the independent auditor for all audit services and non-audit services, based on independence, qualifications and, if applicable, performance, and approve the fees and other terms of any such engagement.
 - j. Meet periodically with the external auditors without management present.
2. Review of Financial Reporting, Policies and Processes
- a. Review and discuss with management and the independent auditor the Company's annual audited financial statements and any certification, report, opinion or review rendered by the independent auditor.
 - b. Review and discuss with management and the independent auditor the Company's quarterly financial statements.
 - c. Review and discuss with management and the independent auditor the Company's disclosure under "Management's Discussion and Analysis of Financial Condition and Results of Operations" appearing in the Company's periodic reports.
 - d. Review with management and the independent auditor any significant judgments made in management's preparation of the financial statements and the view of each as to the appropriateness of the judgments.
 - e. To the extent that it deems appropriate, review with management its evaluation of the company's procedures and controls designed to assure that information required to be disclosed in its periodic public reports is recorded, processed, summarized and reported in such reports within the time periods specified by the SEC for the filing of such reports ("Disclosure

Controls”), and consider whether any changes are appropriate in light of management’s evaluation of the effectiveness of such Disclosure Controls.

f. Review any special audit steps adopted in light of significant deficiencies or material weaknesses in internal controls.

3 As related to the internal auditors, if applicable, (a) approve overall scope of the internal audit program, (b) review the internal auditors' annual and interim reports to the Committee, (c) review internal controls and (d) meet periodically with the internal auditor without management present.

4 Duties relating to Risk Management, Related Party Transactions, Legal Compliance and Ethics

a. Review with the chief executive and chief financial officer of the Company any report on significant deficiencies in the design or operation of the internal controls that could adversely affect the Company’s ability to record, process, summarize or report financial data, any material weaknesses in internal controls identified to the auditors, and any fraud, whether or not material, that involves management or other employees who have a significant role in the Company’s internal controls.

b. To the extent requested by the Board, review and approve all transactions between the Company and any related person that are required to be disclosed pursuant to SEC Regulation S-K, Item 404 (“Item 404”), after reviewing each such transaction for potential conflicts of interests and other improprieties. “Related person” and “transaction” shall have the meanings given to such terms in Item 404, as amended from time to time.

c. Establish 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. Adopt, as necessary, appropriate remedial measures or actions with respect to such complaints or concerns.

d. As requested by the Board, review and investigate conduct alleged by the Board to be in violation of the Company’s Code of Conduct, and adopt as necessary or appropriate, remedial, disciplinary, or other measures with respect to such conduct.

e. Prepare the report of the Audit Committee required by the rules of the SEC to be included in the Company’s annual proxy statement.

f. Regularly report to the Board on the Audit Committee’s activities, recommendations and conclusions.

g. Review and reassess the Charter’s adequacy as appropriate and recommend any proposed changes to the Board for approval.

h. Review the eligibility of each member of the Audit Committee against current regulatory standards, including the continuing eligibility of the audit committee financial expert.

5. Other Duties:

Meet with the financial and control officers of the Company or any other persons it deems necessary or appropriate in discharging its duties. The Committee shall have direct access to all

such persons, including the internal auditors, if applicable, with and without management present.

D. FUNDING AND ADDITIONAL POWERS

The Company shall provide appropriate funding, as determined by the Audit Committee, to permit the Audit Committee to perform its duties under this Charter, to compensate its advisors and to compensate any registered public accounting firm engaged for the purpose of rendering or issuing an audit report or related work or performing other audit, review or attest services for the Company. The Audit Committee, at its discretion, has the authority to initiate special investigations, and, hire special legal, accounting or other outside advisors or experts to assist the Audit Committee, as it deems necessary to fulfill its duties under this Charter. The Audit Committee may also perform such other activities consistent with this Charter, the Company's Bylaws and governing law, as the Committee or the Board deems necessary or appropriate.

E. MEETINGS

The Audit Committee shall meet as often as it determines, but not less frequently than quarterly. A majority of the members shall represent a quorum of the Audit Committee, and, if a quorum is present, any action approved by at least a majority of the members present shall represent the valid action of the Audit Committee. The Audit Committee may form and delegate authority to subcommittees, or to one or more members of the Audit Committee, when appropriate. The Audit Committee shall meet with management, and the independent auditor in separate executive sessions as appropriate. The Audit Committee shall meet with the independent auditor and management on a quarterly basis to review the Company's financial statements and financial reports. The Audit Committee shall maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board. The Committee shall report its proceedings to the Board at its next meeting following any Committee meeting.