

ANNUAL MEETING OF SHAREHOLDERS OF CHARLES & COLVARD, LTD.

November 8, 2018

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IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE SHAREHOLDER MEETING TO BE HELD ON NOVEMBER 8, 2018:
The Notice of Annual Meeting of Shareholders, Proxy Statement, Form of Proxy, and 2018 Transition Report on Form 10-KT are available at <http://proxy.charlesandcolvard.com>.

Please sign, date and mail
your proxy card in the
envelope provided as soon
as possible.

↓ Please detach along perforated line and mail in the envelope provided. ↓

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THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" ALL DIRECTOR NOMINEES AS SET FORTH IN PROPOSAL 1 AND "FOR" PROPOSALS 2, 3, AND 4.
PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE. PLEASE MARK YOUR VOTE IN BLUE OR BLACK INK AS SHOWN HERE

1. ELECTION OF DIRECTOR NOMINEES:

FOR ALL NOMINEES

WITHHOLD AUTHORITY FOR ALL NOMINEES

FOR ALL EXCEPT (See instructions below)

NOMINEES:

- Anne M. Butler
- Benedetta Casamento
- Neal I. Goldman
- Jaqui Lividini
- Suzanne Miglucci
- Ollin B. Sykes

INSTRUCTIONS: To withhold authority to vote for any individual nominee(s), mark "FOR ALL EXCEPT" and fill in the circle next to each nominee for whom you wish to withhold authority to vote, as shown here: ●

2. PROPOSAL TO APPROVE THE CHARLES & COLVARD, LTD. 2018 EQUITY INCENTIVE PLAN FOR AGAINST ABSTAIN

3. PROPOSAL TO RATIFY THE APPOINTMENT OF BDO USA, LLP AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING JUNE 30, 2019 FOR AGAINST ABSTAIN

4. PROPOSAL TO VOTE, ON AN ADVISORY (NONBINDING) BASIS, TO APPROVE EXECUTIVE COMPENSATION FOR AGAINST ABSTAIN

THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER SPECIFIED HEREIN BY THE UNDERSIGNED SHAREHOLDER. THIS PROXY, IF DULY EXECUTED AND RETURNED, WILL BE VOTED "FOR" THE ELECTION OF THE LISTED NOMINEES AND "FOR" EACH OF PROPOSALS 2, 3, AND 4 IF NO INSTRUCTION TO THE CONTRARY IS INDICATED. THE PROXIES ARE AUTHORIZED TO VOTE UPON SUCH OTHER MATTERS AS MAY PROPERLY COME BEFORE THE ANNUAL MEETING OF SHAREHOLDERS IN ACCORDANCE WITH THEIR JUDGMENT.

By executing this proxy, you hereby ratify and confirm all that said attorneys-in-fact, or either of them or their substitutes, may lawfully do or cause to be done by virtue hereof, and acknowledge receipt of the Charles & Colvard, Ltd. Notice of Annual Meeting, Transition Report on Form 10-KT, and Proxy Statement.

Please mark, sign, date and return this proxy card promptly, using the enclosed envelope.

To change the address on your account, please check the box at right and indicate your new address in the address space above. Please note that changes to the registered name(s) on the account may not be submitted via this method.

Signature of Shareholder Date: Signature of Shareholder Date:

Note: Please sign exactly as your name or names appear on this Proxy. When shares are held jointly, each holder should sign. When signing as executor, administrator, attorney, trustee or guardian, please give full title as such. If the signer is a corporation, please sign full corporate name by duly authorized officer, giving full title as such. If the signer is a partnership, please sign in partnership name by authorized person.

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CHARLES & COLVARD, LTD.

170 Southport Drive
Morrisville, North Carolina 27560

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned shareholder of Charles & Colvard, Ltd., a North Carolina corporation (the “Company”), hereby appoints Suzanne Miglucci and Clint J. Pete as proxies and attorneys-in-fact, each with the power to appoint her or his substitute, and hereby authorizes them to represent and to vote, as designated below, all of the shares of common stock, no par value, of the Company held of record by the undersigned on September 21, 2018 at the Annual Meeting of the Shareholders of the Company to be held on November 8, 2018 or any adjournment thereof.

(Continued and to be signed on the reverse side.)