



Monopar Therapeutics

AUDIT COMMITTEE CHARTER

Adopted by the Board of Directors on
January 13, 2022
(as amended on December 7, 2021)

I. Purpose

The primary purpose of the Audit Committee (the “Committee”) shall be to act on behalf of and to assist the Board of Directors (the “Board”) of Monopar Therapeutics Inc. (“Monopar” or the “Company”) in fulfilling its oversight responsibilities to the Company’s shareholders, potential shareholders, the investment community, and others relating to: (1) the integrity of the Company’s financial statements; (2) the integrity and quality of the accounting and financial reporting processes of the Company and the reviews and audits of its financial statements; (3) the effectiveness of the Company’s internal control over financial reporting and the Company’s systems of disclosure controls and procedures; (4) the Company’s compliance with legal and regulatory requirements and the ethical standards and policies adopted by the Company; (5) the review of any reports or other disclosures required by the applicable rules and regulations of the Securities and Exchange Commission (“SEC”) to be included in the Company’s annual proxy statement and periodic reports within the scope of authority outlined herein; (6) the qualifications, independence, compensation, and performance of the Company’s independent registered public accounting firm (the “Independent Auditor”) and (6) the performance of the Company’s internal audit function (when such function is in place).

As the internal audit function is not active as of the most recent approval of this charter in 2021, this charter does not address the Committee’s responsibilities and duties with respect to the performance of the internal audit function.

II. Organization

This Charter governs the organization and operations of the Committee.

The Board shall appoint a Committee of at least three members (the “Members”), consisting entirely of independent directors of the Board and shall designate one Member as chairperson (the “Chair”). The Board may delegate to the Committee its authority to designate a Chair. Each Member shall be considered independent as long as they satisfy the independence requirements for Board members as set by Nasdaq Stock Market LLC (“Nasdaq”) and the more rigorous independence rules for Members issued by the SEC.

Each Member shall be financially literate. Each Member must be able to read and understand fundamental financial statements, including a company’s balance sheet, statement of operations and comprehensive loss, statement of stockholders’ equity and statement of cash flows. In addition, at least one Member must be an audit committee financial expert as defined by SEC rules.

Members are appointed to the Committee by the Board at the annual organization meeting of the Board to serve until their successors are elected. Members may be removed from the

Committee, with or without cause, by the Board. Unless a Chair is designated by the full Board, the Committee may designate a Chair by majority vote.

Members may not serve on more than three public company audit committees simultaneously unless the Board determines that such simultaneous service would not impair the Member's ability to serve effectively on the Committee and pre-approves the Member's additional service.

III. Meetings and Minutes

The Committee shall hold such regular or special meetings as the Board or the Committee Members shall deem necessary or appropriate. The Committee shall meet at least once during each fiscal quarter, or more frequently as circumstances dictate. The Committee shall meet separately: (1) in executive session, as needed; (2) with the Independent Auditor, as requested or needed periodically; and (3) with Company management, as requested or needed periodically. Upon request, the Committee shall meet privately to review and discuss any matters that the Board, the Committee, the Independent Auditor or management believe should be discussed privately with the Committee.

The Committee has the authority to establish its own rules and procedures for notice and conduct of its meetings so long as they are consistent with any provisions of the Company's bylaws that are applicable to the Committee.

The Chair, in consultation with other Members, may determine the frequency and length of the Committee meetings.

A majority of the Members shall constitute a quorum for purposes of holding a meeting. The Committee may act by a vote of a majority of the Members present at such meeting. In lieu of a meeting, the Committee may act by unanimous written consent.

The Committee shall have the authority to meet with and seek information it requires from officers, employees, directors or external parties.

Meeting Agendas: Committee meeting agendas shall be the responsibility of the Chair with input from Members, the Board, management, or outside advisors.

Meeting Minutes: Minutes for each meeting of the Committee shall be promptly prepared, reviewed and revised as needed by the Members, and approved by the Committee at the next Committee meeting. Approved minutes will be distributed to Board members and to the Company's Secretary.

IV. Authority

The Committee may conduct or authorize investigations into any matters within the scope of the duties and responsibilities delegated to the Committee. The Committee may retain any independent counsel, experts or advisors that the Committee believes to be necessary or appropriate. The Company must provide for appropriate funding, as determined by the Committee, for payment of compensation to the Independent Auditor for the purpose of preparing or issuing an audit report or performing other audit, review or attest or tax services, for payment of compensation to any advisors employed by the Committee and for payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its

duties. The Committee shall have authority to require that any of the Company's personnel, legal counsel, accountants, investment bankers, consultants or advisors attend any meeting of the Committee or meet with any Member or any of the Committee's special, outside legal, accounting or other advisors and consultants.

The Committee may provide its Members with annual continuing education opportunities supporting the various duties and responsibilities relevant to the Committee.

The Committee may form and delegate authority to subcommittees consisting of one or more of its Members as the Committee deems appropriate to carry out its responsibilities and exercise its powers.

V. Committee Compensation

A Member may not, other than in his or her capacity as a Member, as a member of the Board, or as a member of any other committee established by the Board, receive directly or indirectly any consulting, advisory, or other compensatory fee from the Company. A Member may receive additional directors' fees to compensate him or her for the significant time and effort expended by such Member to fulfill his or her duties as a Member.

VI. Responsibilities

The Committee's responsibility is one of oversight. The Members are not employees of the Company, and they do not perform, or represent that they perform the functions of management or the Independent Auditors. The Committee relies on the expertise and knowledge of management and the Independent Auditor in carrying out its oversight responsibilities. The management of the Company is responsible for preparing accurate and complete financial statements in accordance with generally accepted accounting principles ("GAAP"), preparing periodic reports and for establishing and maintaining appropriate accounting principles and financial reporting policies and procedures and satisfactory internal controls over financial reporting. The Independent Auditor is responsible for auditing the Company's annual consolidated financial statements and, if appropriate, the effectiveness of the Company's internal controls over financial reporting, and reviewing the Company's quarterly financial statements. It is not the responsibility of the Committee to prepare or certify the Company's financial statements, to guarantee the audits or reports of the Independent Auditor or to ensure that the financial statements or periodic reports are complete or accurate, conform to GAAP or otherwise comply with applicable law.

VII. Oversight of the Independent Auditor

1. *Appointment and Oversight.* The Committee is directly responsible for the appointment (and recommendation that the Board submit the proposed appointment for shareholder ratification, if applicable), retention and the determination of compensation, and oversight of the work of the Independent Auditor and any other registered public accounting firm engaged for the purpose of preparing or issuing an audit report and related work or performing other audit, review or attest services for the Company.

2. *Approval of Audit Engagements.* The Committee is directly responsible for the review, analyses and approval of the Independent Auditor engagements prior to commencement of such engagements to perform all proposed audit, review and attest services, including the scope of and plans for the audit, the adequacy of staffing, the compensation to be paid at the Company's

expense to the Independent Auditor, and the negotiation and execution in collaboration with management on behalf of the Company of the Independent Auditor's engagement letters. The approval shall be pursuant to preapproval policies and procedures established by the Committee consistent with applicable laws and rules, including the delegation of preapproval authority to one or more Members so long as any such preapproval decisions are presented to the Committee at the next scheduled meeting.

3. *Reporting Relationship.* The Independent Auditor and each other registered public accounting firm shall report directly to the Committee.

4. *Annual Report of the Independent Auditor's Internal Quality Control.* At least annually, the Committee shall obtain and review a report by the Independent Auditor describing:

- (1) the Independent Auditor's internal quality control procedures; and
- (2) any material issues raised by the most recent internal quality control review or peer review of the Independent Auditor, or by any inquiry or by investigation by government or professional authorities, within the preceding five years, with respect to one or more independent audits carried out by the Independent Auditor.

5. *Annual Report on Independence.* The Committee shall (1) ensure that the Independent Auditor prepares and delivers, at least annually, a written statement delineating all relationships between the Independent Auditor and the Company (especially persons in financial oversight roles at the Company), (2) ensure the delivery of a letter from the Independent Auditor affirming its independence, and (3) actively engage in a dialogue with the Independent Auditor with respect to any disclosed relationships or services that, in the view of the Committee, may impact the objectivity and independence of the Independent Auditor. If the Committee determines that further inquiry is advisable, the Committee shall take appropriate action in response to the Independent Auditor's report or to subsequent dialogue to satisfy itself of the Independent Auditor's independence.

6. *Annual Review of Independent Auditor.* After review of relevant reports described herein and other current informative material as needed, and the Independent Auditor's work throughout the year, the Committee shall evaluate the qualifications, performance, and independence of the Independent Auditor. The evaluation should include the review and evaluation of the lead audit partner, the review partner and the audit team. The review shall take into account the opinions of the Company's management and accounting personnel who have meaningful working contact with the staff of the Independent Auditor.

7. *Annual Review of Company Accounting Decisions and Alternative Treatments.* The Committee shall review and discuss with the Independent Auditor, before the filing of the Company's Annual Report on Form 10-K (or the annual report to shareholders if distributed prior to the filing of the Form 10K) all critical accounting policies and accounting practices of the Company, all material alternative accounting treatments and accounting practices within U.S. GAAP that have been discussed with the Company's management, including the ramifications of such alternative accounting treatments and accounting disclosures, the accounting treatment and accounting disclosures preferred by the Independent Auditor, and other material written communications between the Independent Auditor and the Company's management.

8. *Deficiencies of Internal Controls.* The Committee shall discuss with the Independent Auditor the characterization of deficiencies in internal controls over financial reporting. The

Committee shall also discuss, with the Company's management, its remediation plan to address internal control deficiencies. The Committee shall determine that the disclosures describing any identified material weakness of the Company's internal controls and the Company's remediation plans are clear and complete.

9. *Disclosure of Material Changes in Internal Controls.* The Committee shall discuss with the Company's management and the Independent Auditor (1) any changes in internal controls over financial reporting that have materially affected or are reasonably likely to materially affect the Company's internal financial reporting that are required to be disclosed, and (2) any changes in internal controls over financial reporting that were considered for disclosure in the Company's periodic filings with the SEC.

10. *Pre-Approval of Certain Audit or Non-audit Services.* The Committee, or the Chair or a designated Member, must pre-approve any audit and non-audit services and the terms thereof (which may include providing comfort letters in connection with securities underwritings) provided to the Company by the Independent Auditor, unless the engagement is entered into pursuant to appropriate pre-approval policies established by the Committee or if such service falls within available exceptions under SEC rules. Specific preapproval of internal controls-related services based on PCAOB Rule 3525 is required. The Committee shall receive certain disclosure documentation and discussion of non-prohibited tax services by the Independent Auditor based on PCAOB 3524. The decision on the use of a preapproval authority must be presented to the full Committee before or at its next scheduled meeting. The authority to preapprove non-audit services may be delegated to one or more Members who shall present all decisions to preapprove an activity to the Committee at its first meeting following such decision.

11. *Audit Plans* The Committee shall review and approve the scope and staffing of the Independent Auditor's annual audit plan(s)

12. *Former Employees of Independent Auditor.* The Committee shall oversee the Company's policy requiring the Committee's written preapproval of employment by the Company of any individuals employed by or formerly employed by the current or recent Independent Auditor and who were engaged on the Company's account.

13. *Rotation of Lead Audit Partners and Potentially the Independent Auditor.* The Committee shall periodically review the Independent Auditor's procedures to implement the rotation of the lead audit partner and other partners serving the account on the Independent Auditor's audit engagement team as required under SEC auditor independence rules. The Committee will also periodically review the Company's strategic and operational situation and determine if a change of the Independent Auditor should be considered.

14. *Management Relationship with Independent Auditor.* The Committee shall evaluate the cooperation from Company management that is received by the Independent Auditor during audit and review examinations, including any significant difficulties such as any restrictions on the scope of their activities or on access to required records, data, other information, and appropriate Company and consultant staff. The Committee shall review, discuss and resolve significant difficulties, conflicts or disagreements between the Independent Auditor and the Company's management regarding financial reporting, accounting practices or policies, or the conduct of audits or reviews. The Committee shall be responsible for the timely resolution of any disagreements between the Company's management and the Independent Auditor regarding financial reporting.

VIII. Financial Reporting Matters

Annual Report on Form 10-K and Annual Audit

1. *Form 10-K Review.* The Committee shall oversee development and implementation of Form 10-K preparatory processes, including internal and external reviews. The scope of the Committee's review shall include the entire Form 10-K with primary attention to the audited financial statements, including the footnotes thereto, to "Management's Discussion and Analysis of Financial Condition and Results of Operations" (the "MD&A"), and to other sections which have financial content. The Committee shall recommend to the Board as whether the audited financial statements including the footnotes thereto, the MD&A and other sections which have financial content be included in the Company's Annual Report on Form 10-K. The release may be subject to the correction of minor edits and changes deemed by the Company's management to be of such insignificance that a re-review by the Committee would not be required.
2. *Annual Audit Review.* The Committee shall review with the Independent Auditor and the Company's management the results of the annual audit including any management actions which may be required.

Quarterly Reports on Form 10-Q

1. *Form 10-Q Review.* The Committee shall oversee the development and implementation of the Form 10-Q preparatory processes including internal and external reviews. The scope of the Committee's review shall include the entire Form 10-Q with primary attention to the unaudited financial statements, including the footnotes thereto, to the MD&A and to other sections which have financial content. The Committee shall release to the Company's management the unaudited financial statements including the footnotes thereto, the MD&A and other sections which have financial content to be included in the Company's Form 10-Q. The release may be subject to the correction of minor edits and changes deemed by the Company's management to be of such insignificance that a re-review by the Committee would not be required.
2. *Committee Financial Statement Review Items*

The Committee's review of the financial statements shall include:

- (1) Major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles and major issues as to the adequacy and effectiveness of the Company's internal controls over financial reporting and any specific remedial actions adopted in light of significant deficiencies or material weaknesses.
- (2) Discussions with the Company's management and the Independent Auditor regarding any significant financial reporting issues and judgments made about the preparation of the financial statements and the reasonableness of those judgments. Discussion should include the analysis of alternative GAAP methods on the financial statements, management and accounting initiatives.
- (3) Consideration of the effect of both regulatory and accounting initiatives, as well as any off balance sheet structures on the financial statements.

- (4) Review of timely updates from the outside legal counsel or other legal representative (and other appropriate experts, if needed) at least quarterly or as new circumstances require the review of possible unasserted claims or assessments, and other legal or regulatory concerns with priority on legal situations which may have a material impact on financial reporting. Review periodically with outside legal resources legal procedures and policies to address any legal and regulatory issues and the reduction of legal, financial and other related risks.
- (5) Consideration of the judgment of both the Company's management and the Independent Auditor about the quality, not just the acceptability, of accounting principles.
- (6) The completeness and clarity of the disclosures in the financial statements.

3. *Other SEC Filings*

The Committee shall review and discuss with the Company's management, as appropriate, other Company filings with the SEC incorporating the Company's financial information or related material, including but not limited to Company registration statements on Forms S-1, S-3, and S-8, reports on Form 8-K and proxy statements.

IX. Other Duties and Responsibilities

1. *Report for the Proxy Statement.* The Committee will prepare the Audit Committee report that SEC proxy rules require to be included in the Company's annual proxy statement.
2. *Review of Earnings Press Releases.* The Committee shall review with the Company's management and the Independent Auditor the Company's draft earnings press releases (that may or may not include condensed financial statements), as well as financial information and financial guidance, paying particular attention to any pro-forma or adjusted non-GAAP information. The Committee shall review and release to the Company's management a draft of the Company's earnings press release prior to public dissemination.
3. *Review of financial information given to investment bankers, securities analysts and other outside organizations.* The Committee shall review with the Company's management financial information, financial projection materials and earnings guidance provided to analysts, rating agencies and used in or supporting promotional materials prior to release to such external organizations.
4. *Risk Assessment and Risk Management.* The Committee shall review (at least annually or as needed due to specific circumstances) with the Company's management and the Independent Auditor the Company's policies, procedures and current status with respect to risk assessment and risk management including steps taken by management to monitor, mitigate and manage risk exposures.

The Committee review shall include the Company's major financial risk exposures and other major risk exposures as assigned by the Board to the Committee for oversight. The Committee shall review with the Company's senior management overall anti-fraud programs and controls in force within the Company. The Committee shall consider the risk of the Company's management's ability to override the Company's internal controls.

5. *Complaint Procedures.* The Committee shall oversee systems and procedures for the receipt, retention and resolution of complaints received by the Company regarding accounting, internal financial controls or auditing matters, and for the confidential and anonymous submission by Company employees of concerns regarding potential fraud or questionable financial, accounting, internal financial controls or auditing matters.
6. *Comments From Regulatory Bodies.* The Committee shall review comments from regulatory bodies, such as the SEC, Nasdaq and FINRA, related to the financial reporting obligations of the Company and shall review draft responses from the Company.
7. *Code of Business Conduct and Ethics (the "Code").* The Committee shall periodically review and update the Company's Code and review programs that the Company's management has established to monitor compliance with the Code only as they pertain to financial integrity, related party transactions and insider trading. The Committee shall address matters brought to its attention related to the Company's Code as set forth therein. The Committee shall review any corporate attorney's reports of evidence of a potential material violation of securities laws or breaches of fiduciary duty by the Company.
8. *Related Party Transactions.* The Committee shall review and approve or disapprove any transaction required to be disclosed according to SEC Regulation S-K, Item 404 between the Company and any related party on an on-going basis and oversee policies and procedures for the Committee's judgments as to related party transactions as required by Nasdaq. The Committee will discuss with the Company's management the business rationale for the transactions and whether appropriate disclosures have been made.
9. *Ethical Compliance.* The Committee shall oversee and periodically review the Company's management's systems and programs to monitor compliance with the Company's programs and policies to ensure adherence to applicable laws and regulations, as well as to the Code.
10. *Reports to the Board.* The Committee shall report regularly to the Board regarding the execution of the Committee's responsibilities and duties, activities, and any issues encountered and related recommendations of the Committee. The Committee shall report promptly any new material developments or circumstances which have a reasonable probability of resulting in a material impact on reported financial results.
11. *Review of Corporate "Tone."* The Committee will take appropriate actions to monitor the overall corporate "tone" for quality financial reporting, sound business risk management practices and ethical behavior.
12. *Open Communications.* In fulfilling its purpose, the Committee is responsible for maintaining free and open communication among itself, the Independent Auditor, the Board and the Company's management and for determining that all parties are aware of and are appropriately discharging their responsibilities.
13. *Informational Needs.* The Committee or Members shall communicate to the Chief Executive Officer or his or her designees the Committee's expectations, and the nature, timing and extent of any specific information or other supporting materials requested by the Committee for its meetings and internal processes and deliberations.

14. *Review of the Financial Function.* The Committee shall review annually with the Company's management the Company's finance and accounting function. This review shall include the quality of personnel and the Company's ability to adequately attract and retain personnel for needed positions. The review will address financial and accounting IT systems, including considerations of systems security.

15. *Annual Committee Self-Evaluation.* The Committee shall annually perform a self-evaluation of the performance of the Committee and report such evaluation to the Board.

16. *Annual Charter Review.* The Committee shall annually review and reassess this Charter and submit to the Board any recommended amendments or modifications to the Charter that the Committee deems appropriate. The Board will approve a specific Audit Committee charter every year.

17. *General Authority.* The Committee shall perform such other duties that may be necessary or appropriate in the discharge of the foregoing powers.