

PROPHASE LABS, INC.
AUDIT COMMITTEE CHARTER

(Amended and Restated June 16, 2023)

A. Purpose

This charter governs the operations of the Audit Committee (the “Committee”) of ProPhase Labs, Inc. (the “Company”). The Committee shall provide assistance to the Board of Directors of the Company (the “Board”) in fulfilling its oversight responsibility relating to the Company's financial statements and the accounting and financial reporting process, the systems of internal accounting and financial controls, the annual independent audit of the Company's financial statements and the legal compliance and ethics programs as established by management and the Board. It is the responsibility of the Committee to maintain free and open communication between the Committee, independent auditors and management of the Company in discharging its oversight role. The Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the Company and the power to retain and determine funding for outside counsel or other experts for this purpose.

B. Committee Membership and Qualifications

The Committee shall consist of three or more directors. Each member of the Committee shall be independent in accordance with the requirements of Rule 10A-3 of the Securities Exchange Act of 1934, as amended, and the applicable Nasdaq rules and regulations. No member of the Committee shall have participated in the preparation of the Company's or any of its subsidiary's financial statements at any time during the past three years.

Each member of the Committee must be able to read and understand fundamental financial statements, including the Company's balance sheet, income statement and cash flow statement. At least one member of the Committee must have past employment experience in finance or accounting, requisite professional certification in accounting or other comparable experience or background that leads to financial sophistication. At least one member of the Committee must be an “audit committee financial expert” as defined in Item 407(d)(5)(ii) of Regulation S-K. A person who satisfies this definition of audit committee financial expert will also be presumed to have financial sophistication.

The members of the Committee shall be appointed by the Board based on recommendations from the Nominating and Corporate Governance Committee of the Board. The Board shall designate a member of the Committee as the chairperson. The members of the Committee shall be appointed for such term or terms as the Board may determine or until earlier resignation or death. The Board may remove any member from the Committee at any time with or without cause.

C. Committee Responsibilities

The primary responsibility of the Committee is to oversee the Company's accounting and financial reporting processes and the audit of the Company's financial statements on behalf of the Board and report the results of its activities to the Board. Management is responsible for preparing the Company's financial statements and establishing effective internal controls and procedures to ensure the Company's compliance with accounting standards, financial reporting procedures and applicable laws and regulations. The independent auditors are responsible for auditing the Company's financial statements. The members of the Committee are not employees of the Company and are not responsible for conducting the audit or performing other accounting procedures.

The Committee in carrying out its responsibilities believes its policies and procedures should remain flexible in order to best react to changing conditions and circumstances. The Committee should take the appropriate actions to set the overall corporate "tone" for quality financial reporting, sound business risk practices and ethical behavior.

The following shall be the principal recurring responsibilities of the Committee. The responsibilities are set forth as a guide with the understanding that the Committee may supplement them as appropriate including any changes required by them to carry out its duties, including those required by changes in legal or regulatory requirements.

The responsibilities of the Committee shall include:

1. Selecting and retaining, on an annual basis, an independent registered public accounting firm to act as the Company's independent auditors for the purpose of auditing the Company's annual financial statements, books, records, accounts and internal controls over financial reporting.
2. Setting the compensation of the independent auditors, overseeing the work done by the independent auditors, and terminating the independent auditors, if necessary.
3. Selecting, retaining, compensating, overseeing and terminating, if necessary, any other registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company.
4. Approving all audit engagement fees and terms; and pre-approving all audit and permitted non-audit and tax services that may be provided by the Company's independent auditors or other registered public accounting firms, and establishing policies and procedures for the Committee's pre-approval of permitted services by the Company's independent auditors or other registered public accounting firms on an on-going basis.
5. Obtaining and reviewing, on at least an annual basis, a written statement from the Company's independent auditors describing all relationships between the auditors and Company or any of its subsidiaries, and discussing with the independent auditors any relationships or services that may impact the objectivity and independence of the auditors.
6. Obtaining and reviewing, on at least an annual basis, a report from the Company's independent auditors that describes (1) the accounting firm's internal quality control procedures and (2) any issues raised by the most recent internal quality control review, peer review or Public Company Accounting Oversight Board review or inspection of the firm or by any other inquiry or investigation by governmental or professional authorities in the past five years regarding one or more audits carried out by the firm and any steps taken to deal with any such issues.
7. Evaluating, on at least an annual basis, the qualifications, performance and independence of the Company's independent auditors, including an evaluation of the lead audit partner; and to assure the regular rotation of the lead audit partner at the Company's independent auditors and consider regular rotation of the accounting firm serving as the Company's independent auditors.
8. Reviewing and discussing with the Company's independent auditors (1) the auditors'

- responsibilities under generally accepted auditing standards and the responsibilities of management in the audit process, (2) the overall audit strategy, (3) the scope and timing of the annual audit, (4) any significant risks identified during the auditors' risk assessment procedures and (5) when completed, the results, including significant findings, of the annual audit.
9. Reviewing and discussing with the Company's independent auditors (i) all critical accounting policies and practices to be used in the audit; (ii) all alternative treatments of financial information within generally accepted accounting principles ("GAAP") that have been discussed with management, the ramifications of the use of such alternative treatments and the treatment preferred by the auditors; and (iii) other material written communications between the auditors and management.
 10. Reviewing and discussing with the Company's independent auditors and management (i) any audit problems or difficulties, including difficulties encountered by the Company's independent auditors during their audit work (such as restrictions on the scope of their activities or their access to information), (ii) any significant disagreements with management and (iii) management's response to these problems, difficulties or disagreements; and to resolve any disagreements between the Company's auditors and management.
 11. Reviewing with management and the Company's independent auditors (i) any major issues regarding accounting principles and financial statement presentation, including any significant changes in the Company's selection or application of accounting principles; (ii) any significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including the effects of alternative GAAP methods; and (iii) the effect of regulatory and accounting initiatives and off-balance sheet structures on the Company's financial statements.
 12. Keeping the Company's independent auditors informed of the Committee's understanding of the Company's relationships and transactions with related parties that are significant to the Company; and reviewing and discussing with the Company's independent auditors the auditors' evaluation of the Company's identification of, accounting for, and disclosure of its relationships and transactions with related parties, including any significant matters arising from the audit regarding the Company's relationships and transactions with related parties.
 13. Reviewing with management and the Company's independent auditors the adequacy and effectiveness of the Company's financial reporting processes, internal control over financial reporting and disclosure controls and procedures, including any significant deficiencies or material weaknesses in the design or operation of, and any material changes in, the Company's processes, controls and procedures and any special audit steps adopted in light of any material control deficiencies, and any fraud involving management or other employees with a significant role in such processes, controls and procedures.
 14. Reviewing and discussing with the Company's independent auditors any other matters required to be discussed by applicable requirements of the PCAOB and the SEC.
 15. Review and discussing with the Company's independent auditors and management the Company's annual audited financial statements (including the related notes), the form of audit opinion to be issued by the auditors on the financial statements and the disclosure under "Management's Discussion and Analysis of Financial Condition and Results of Operations" to be included in the Company's Annual Report on Form 10-K before the Form 10-K is filed.

16. Recommending to the Board whether the audited financial statements be included in the Company's Annual Report on Form 10-K for filing with the SEC.
17. Producing the Committee report required to be included in the Company's proxy statement.
18. Reviewing and discussing with the Company's independent auditors and management the Company's quarterly financial statements and the disclosure under "Management's Discussion and Analysis of Financial Condition and Results of Operations" to be included in the Company's Quarterly Report on Form 10-Q before the Form 10-Q is filed; and to review and discuss the Form 10-Q for filing with the SEC.
19. Establishing and overseeing procedures for the receipt, retention and treatment of complaints received by the Company regarding the Company's accounting, internal accounting controls and auditing matters and the confidential, anonymous submission by Company employees of concerns regarding questionable accounting or auditing matters.
20. Reviewing and discussing with management the risks faced by the Company and the policies, guidelines and process by which management assesses and manages the Company's risks, including the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.
21. Reviewing the Company's compliance with applicable laws and regulations and to review and oversee the Company's policies, procedures and programs designed to promote and monitor legal, ethical and regulatory compliance.
22. Monitoring compliance with the Company's Code of Business Conduct, Ethics and Corporate Governance (the "Code"), to investigate any alleged breach or violation of the Code, and to enforce the provisions of the Code.
23. Reviewing, approving and overseeing any transaction between the Company and any related person (as defined in Item 404 of Regulation S-K) and any other potential conflict of interest situations on an ongoing basis, and developing and monitoring policies and procedures for the Committee's approval of related party transactions.
24. Reviewing the Committee's own structure, processes and membership requirements.
25. Performing such other duties as may be requested by the Board or as the Committee shall deem appropriate.

D. Outside Advisors

The Committee shall have the authority, in its sole discretion, to retain and obtain the advice and assistance of independent outside counsel and such other advisors as it deems necessary to fulfill its duties and responsibilities under this Charter. The Committee shall set the compensation, and oversee the work, of any outside counsel and other advisors.

The Committee shall receive appropriate funding from the Company, as determined by the Committee in its capacity as a committee of the Board, for the payment of compensation to the Company's independent auditors, any other accounting firm engaged to perform services for the Company, any outside counsel and any other advisors to the Committee.

E. Meetings

The Committee shall meet at least four times a year at such times and places as it deems necessary to fulfill its responsibilities. The Committee shall be governed by the same rules regarding meetings (including meetings in person or by telephone or other similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board. The Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board of Directors.

The Committee shall meet separately, and periodically, with management, and representatives of the Company's independent auditors, and shall invite such individuals to its meetings as it deems appropriate, to assist in carrying out its duties and responsibilities. However, the Committee shall meet regularly without such individuals present.

F. Reports

The Committee shall report regularly to the Board on its discussions and actions, including any significant issues or concerns that arise at its meetings, and shall make recommendations to the Board as appropriate.

G. Annual Charter Review

The Committee shall review this Charter at least annually and recommend any proposed changes to the Board for approval.

H. Performance Evaluation

The Committee shall conduct an annual evaluation of the performance of its duties under this Charter. The Committee shall conduct this evaluation in such manner as it deems appropriate.