

RECRO PHARMA, INC.
AUDIT COMMITTEE CHARTER

Effective December 14, 2016

I. PURPOSE

The Audit Committee (the "Committee") shall report to and assist the Board of Directors (the "Board") of Recro Pharma, Inc. (the "Company"). The purpose of the Committee shall be to provide oversight of the financial management, independent auditor and financial reporting procedures of the Company, as well as such other matters as directed by the Board or this Charter.

II. MEMBERSHIP

The Committee shall be comprised of not less than three members of the Board. Members shall be appointed and may be removed by the Board. All members of the Committee shall be independent directors, as independence is defined in accordance with the rules, regulations and standards of the NASDAQ Capital Stock Market LLC ("NASDAQ") and all other legal requirements, as determined in the business judgment of the Board. In addition, each member of the Committee shall meet the requirements of Section 10A(m)(3) of the Securities Exchange Act of 1934 and all rules and requirements of the Securities and Exchange Commission (the "SEC"). All members shall be financially literate, and at least one member shall be an "audit committee financial expert" as defined by the SEC. The Board shall appoint one of the members of the Committee as Chairperson. The Chairperson shall chair all meetings of the Committee and perform such other activities as from time to time are requested by the other Committee members or as circumstances dictate. The Committee may form and delegate authority to subcommittees when appropriate.

III. MEETINGS

The Committee shall meet at least four times each year. The Committee shall report regularly to the Board with respect to its activities and make recommendations to the Board as appropriate. The Committee shall maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board. The Committee may, in its discretion, invite to any meeting other directors of the Company, members of the Company's management or any other person, including, without limitation, outside counsel or consultants, whose presence the Committee believes to be desirable and appropriate. In the discretion of the Chairperson, but at least once per year, the Committee shall meet in executive session.

IV. COMMITTEE AUHTORITY AND RESPONSIBILITIES

The Company's management is responsible for preparing the Company's financial statements and the independent auditor is responsible for auditing these financial statements. The Committee is responsible for overseeing the conduct of these activities by the Company's management and the independent auditor, and the integrity of the Company's financial statements. The financial management and the independent auditor of the Company have more time, knowledge and more detailed information on the Company than do Committee members. Consequently, in carrying out its oversight responsibilities, the Committee is not providing any expert or special assurance as to the Company's financial statements or any professional certification as to the independent auditor's work. The Committee is also responsible for preparing the Report of the Audit Committee that SEC rules require be included in the Company's annual proxy statement.

In carrying out its oversight responsibilities, the Committee shall perform the following functions:

Oversight of the Company's Independent Auditor

1. Have the ultimate authority and responsibility to appoint, retain, compensate, oversee, evaluate and, when appropriate, terminate the independent auditor, including resolving disagreements between management and the independent auditor regarding financial reporting and overseeing the qualifications, independence and performance of the independent auditor.
2. Obtain and review annually a report from the independent auditor describing (i) the independent auditor's internal quality-control procedures, (ii) any material issues raised by the most recent internal quality-control review or peer reviews or Public Company Accounting Oversight Board ("PCAOB") 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 such issues, and (iii) all relationships between the independent auditor and the Company or any of its subsidiaries; actively discuss with the independent auditor this report and any disclosed relationships or services that may impact the objectivity and independence of the auditor and take, or recommend that the Board take, appropriate action to in response to this report to satisfy itself of the auditor's independence.
3. Evaluate annually the qualifications, performance and independence of the independent auditor, considering whether the independent auditor's quality controls are adequate, whether the provision of non-audit services is compatible with maintaining the auditor's independence and whether the independent auditor is in compliance with the audit partner rules (including rotation requirements) of the SEC and PCAOB.
4. Pre-approve all audited and permitted non-audit and tax services that may be provided by the Company's independent auditor or other registered public accounting firm (including by delegating this pre-approval authority to any one or more members who shall present their decisions to the full Committee at the next scheduled meeting).
5. Review and approve the original proposed scope of the annual independent audit of the Company's financial statements and the associated engagement fees, as well as any significant variations in the actual scope of the independent audit and associated engagement fees.
6. Establish policies for the hiring of employees or former employees of the independent auditor.
7. Review with the independent auditor any difficulties the auditors encountered in the course of the audit work, including restrictions on the scope of work or access to requested information, and any significant disagreements with management.

8. Review with the independent auditor the critical accounting policies and practices used by the Company, alternative treatments of financial information within generally accepted accounting principles (“GAAP”) that the independent auditor has discussed with management, the ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the independent auditor.

Review of Financial Reporting, Policies and Processes

1. Discuss with management and the independent auditor the audited financial statements to be included in the Company's Annual Report on Form 10-K, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," and review and consider with the independent auditor the matters required to be discussed by the applicable Auditing Standards issued by the PCAOB (the "Auditing Standards"), and, based on these discussions advise the Board whether it recommends that the audited financial statements be included in the Form 10-K.
2. Discuss with management and the independent auditor, prior to the filing thereof, the Company's interim financial results to be included in the Company's quarterly reports on Form 10-Q), including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," and the matters required to be discussed by the applicable Auditing Standards.
3. Discuss generally earnings press releases, as well as the types of financial information and earnings guidance that are given to analysts and rating agencies.
4. Review (i) changes in the Company's accounting policies and practices and significant judgments that may affect the financial results; (ii) the nature of any unusual or significant commitments or contingent liabilities together with the underlying assumptions and estimates of management; and (iii) the effect of changes on accounting standards that may materially affect the Company's financial reporting practices.
5. Review with management its assessment of the effectiveness and adequacy of the Company's internal control structure and procedures for financial reporting (“Internal Controls”) and review with the independent auditor the attestation to and report on the assessment made by management, if any, and consider whether any changes to the Internal Controls are appropriate.

Related Party Transactions

1. Implement and administer standards to be applied by the Board in making its determination as to related party transactions that may present actual, potential or perceived conflicts of interest or may raise questions as to whether such transactions are consistent with the best interests of the Company and its shareholders.
2. Review and ratify any related party transactions based on the standards set forth in the Company's Related Party Transaction Policy.

Risk Management, Legal Compliance and Ethics

1. Review and monitor, as appropriate: (i) litigation or other legal matters that could have a significant impact on the Company's financial results; and (ii) significant findings of any examination by regulatory authorities or agencies, in the areas of securities, accounting or tax, such as the SEC or the U.S. Internal Revenue Service.
2. Review with management the Company's disclosure controls and procedures and management's conclusions about the efficacy of such disclosure controls and procedures, including any deficiencies in, or material non-compliance with, such controls and procedures.
3. 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.
4. Review the Company's Code of Business Conduct and Ethics and recommend any changes to the Board and consider, discuss and, as appropriate, grant requested waivers from the Company's Code of Business Conduct and Ethics.
5. Discuss guidelines and policies to govern the process by which risk assessment and management is undertaken and handled. Discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.
6. Prepare and approve the audit committee report required to be included in the Company's annual proxy statement.

Other Areas of Responsibility and Authority

1. Conduct an annual self-evaluation of its performance in fulfilling its duties and responsibilities under this charter.
2. At least annually, review and assess the adequacy of this charter and recommend any proposed changes to the Board for approval.

IV. RESOURCES; ACCESS TO RECORDS

The Committee has sole authority to select, retain and terminate any consultants, independent legal counsel or other advisors, including the sole authority to approve their fees and other retention terms. The fees, expenses or compensation owed to any person retained by the Committee, including the independent auditor, and any ordinary administrative expenses of the Committee incurred in carrying out its duties and responsibilities shall be borne by the Company.