

NEXGEL, INC.

AUDIT COMMITTEE CHARTER

This Audit Committee Charter (this “*Charter*”) sets forth the purpose and membership requirements of the Audit Committee (the “*Committee*”) of the Board of Directors (the “*Board*”) of NexGel, Inc. (the “*Company*”) and establishes the authority and responsibilities delegated to it by the Board.

1. Purpose

The purpose of the Committee is to oversee the Company’s accounting and financial reporting processes and the audit of the Company’s financial statements.

The primary role of the Committee is to oversee the financial reporting and disclosure process. To fulfill this obligation, the Committee relies on (i) management for the preparation and accuracy of the Company’s financial statements and for establishing effective internal controls and procedures to ensure the Company’s compliance with accounting standards, financial reporting procedures and applicable laws and regulations and (ii) the Company’s Independent Auditor for an unbiased, diligent audit or review, as applicable, of the Company’s financial statements and the effectiveness of the Company’s internal controls. The members of the Committee are not employees of the Company and are not responsible for conducting the audit or performing other accounting procedures.

2. Membership

2.1. Director Independence

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 rules of the NASDAQ Stock Market (“*NASDAQ*”). No member of the Committee can have participated in the preparation of the Company’s or any of its subsidiaries’ financial statements at any time during the past three years.

2.2. Financial Expertise

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 should also 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 designation of the “audit committee financial expert” shall be made by the Board in its business judgment at least annually.

2.3. Other Audit Committee Memberships

No member of the Committee may serve simultaneously on the audit committee of more than two other public companies without a determination by the Board that such service would not impair the member’s ability to serve on the Company’s audit committee.

2.4. Appointment

The members of the Committee shall be appointed by the Board based on recommendations from the Nominating and Corporate Governance Committee of the Board, or its equivalent. The members of the Committee shall be appointed for terms as the Board may determine and shall serve until earlier resignation or death. The Board may remove any member from the Committee at any time with or without cause. Vacancies occurring on the Committee shall be filled by the Board.

3. Structure and Operations

3.1. Chairperson

The Board shall appoint a member of the Committee as the chairperson (the “*Chairperson*”) to preside at each meeting. In the Chairperson’s absence, the Committee members present may designate an acting chairperson. The Chairperson shall prepare and approve the agenda for each Committee meeting, and any member of the Committee may suggest items for consideration.

3.2. Meetings

The Committee shall meet at least once per fiscal quarter, or more frequently as it may determine necessary, at such times and places as it deems necessary to fulfill its responsibilities. The Chairperson may call a special meeting at any time as he or she deems advisable, or action may be taken by unanimous written consent when deemed necessary or desirable by the Committee or its Chairperson.

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. The Committee is 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 shall periodically meet separately with management and representatives of the Company’s Independent Auditor 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. The Committee may also invite to its meetings any other director, officer or employee of the Company and such other persons as it deems appropriate in order to carry out its responsibilities. The Committee may also exclude from its meetings any persons it deems appropriate in order to carry out its responsibilities.

Minutes of each meeting of the Committee shall be kept to document its proceedings.

4. Responsibilities

Independent Auditor

4.1. Appointment and Oversight

The Committee is responsible for the appointment, compensation, retention, oversight and pre-approval of services provided by the registered accounting firm (the “*Independent Auditor*” or “*firm*”) engaged for the purpose of preparing or issuing an audit report and performing other audit, review or attestation services covering the consolidated financial statements of the Company and any other services provided to the Company by such firm, including resolution of disagreements between management and the

Independent Auditor regarding financial reporting. In this regard, the Committee shall have the sole authority to (i) appoint and retain, (ii) determine the funding for and (iii) when appropriate, terminate, the Independent Auditor. The Independent Auditor shall report directly to the Committee. The Committee shall have a clear understanding with the Independent Auditor that the firm is ultimately accountable to the Committee, as the stockholders' representative.

The Committee shall review and discuss with the Independent Auditor: (i) the Independent Auditor's responsibilities under Generally Accepted Accounting Standards ("**GAAP**") and Public Company Accounting Oversight Board (the "**PCAOB**") standards, (ii) the responsibilities of management in the audit process, and (iii) the overall audit strategy.

4.2. Evaluation

The Committee shall, no less than annually (including at the time it appoints the Independent Auditor) evaluate the Independent Auditor's qualifications, performance, fees and independence, including an evaluation of the Independent Auditor's lead (or coordinating) audit partner having primary responsibility for the Company's audit. In making its evaluation, the Committee shall take into account the opinions of management. The Committee shall report its findings to the Board.

4.3. Specific Projects

Sufficient funds shall be made available to management and the Chairperson for the purpose of engaging the Independent Auditor to perform special projects or other tasks that are outside the normal scope of the general engagement letter. Except as otherwise required by Section 10A(i)(1)(A) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), such actions shall be presented to the Committee for approval at the next regularly scheduled meeting.

4.4. Annual Report on Quality Control and Independence

The Committee shall receive and review, at least annually, a report from the Independent Auditor relating to the firm's independence and quality of its internal controls. This report shall describe (i) the Independent Auditor's internal quality-control procedures, (ii) any issues raised by the most recent peer review or internal quality-control review of the firm, (iii) any material issues raised by any governmental or professional authority in any inquiry or investigation, within the preceding five years, regarding any independent audit carried out by the firm and (iv) any steps taken to deal with any issues raised in connection with clauses (ii) and (iii) above. Further, to assist the Committee in assessing the firm's independence, the report shall describe all relationships between the Independent Auditor and the Company or its subsidiaries (including any significant fees for any anticipated non-audit services), including those required by the applicable requirements of the PCAOB regarding the Independent Auditor's communications with the Committee concerning independence. The Committee shall discuss with the Independent Auditor this report and any relationships or services that may impact the objectivity and independence of the Independent Auditor.

4.5. Firm and Partner Rotation

The Committee shall establish a policy regarding the rotation of the lead partner and concurring and reviewing partners (and the Independent Auditor, if necessary) in accordance with applicable regulations of the Securities and Exchange Commission ("**SEC**").

4.6. Hiring Policy

The Committee shall also establish a policy regarding the Company's hiring of current or former employees of the Independent Auditor.

4.7. Independent Auditor Plan

The Committee shall review with the Independent Auditor and management the plan and scope of the Independent Auditor's proposed annual financial audit and quarterly reviews, including the timing, the procedures to be utilized and the Independent Auditor's compensation. The Committee or subcommittee thereof shall also pre-approve audit, non-audit, and any other services to be provided by the Independent Auditor in accordance with such policies as may, from time to time, be adopted by the Committee, subject to the *de minimis* exceptions for non-audit services described in Section 10A(i)(1)(B) of the Exchange Act, which are approved by the Committee prior to the completion of the audit.

4.8. Audit Reports and Reviews

The Committee shall, in consultation with management and the Independent Auditor, review the results of the annual financial audit and limited quarterly reviews of the Company's financial statements, significant findings thereof and any other matters required to be communicated by the Independent Auditor under GAAP, including, if applicable, the Independent Auditor's summary of any significant accounting, auditing or internal control issues, including critical audit matters, along with questions, comments and recommendations and management's corrective action plans, if applicable (*i.e.*, the management or internal control letter).

In conjunction with its annual audit and its limited quarterly reviews of the Company's financial statements, the Independent Auditor shall review with the Committee any audit problems or difficulties the Independent Auditor encountered in the course of its work, including any restrictions on the scope of the firm's activities, its access to requested information or any significant disagreements with management and management's responses to such matters. Management shall notify the Committee prior to seeking a second opinion on a significant accounting issue. The Committee shall be responsible for the resolution of any disagreements between management and the Independent Auditor regarding financial reporting.

Financial Statements

4.9. Form 10-K

The Committee shall meet to review and discuss, in consultation with management and the Independent Auditor, the Company's annual financial statements, the Independent Auditor's report, Management's Report on Internal Control over Financial Reporting, including the Independent Auditor's attestation of such report, if applicable, and the Company's disclosures under Management's Discussion and Analysis of Financial Condition and Results of Operations (the "*MD&A*") to be contained in the Annual Report on Form 10-K (or the Annual Report to stockholders if distributed prior to the filing of the Form 10-K) prior to the filing of the Annual Report on Form 10-K with the SEC. The Committee shall be responsible for providing the Board with a recommendation as to the inclusion of the Company's financial statements in the Annual Report on Form 10-K.

4.10. Form 10-Q

The Committee shall meet to review and discuss, in consultation with management and the Independent Auditor, the Company's interim financial statements (including disclosures under the MD&A), prior to filing each of the Company's Quarterly Reports on Form 10-Q with the SEC.

4.11. Scope of Review

In reviewing the Company's Quarterly Reports on Form 10-Q and Annual Reports on Form 10-K, the Committee shall review with management and the Independent Auditor:

- the certifications required to be made by management in relation to the filings, including regarding any significant deficiencies or weaknesses in the design or operation of the Company's internal control over financial reporting and any fraud, whether or not material, involving management or other employees who have a role in the Company's system of internal control;
- major issues regarding the presentation of, and the clarity of the disclosure in, the Company's financial statements;
- major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies;
- major issues regarding the Company's accounting principles and financial statement presentations, including (i) significant changes in the Company's selection or application of its accounting principles, (ii) material questions of choice with respect to the appropriate accounting principles and practices used and to be used in the preparation of the Company's financial statements, including judgments about the quality, not just acceptability, of accounting principles and (iii) the reasonableness of those significant judgments;
- significant regulatory and accounting initiatives, including material changes in, or adoptions of, accounting principles and disclosure practices and standards;
- the effect of regulatory and accounting initiatives, as well as any off-balance sheet structures on the Company's financial statements;
- any analyses prepared by management or the Independent Auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements; and
- other communications regarding the results of the Independent Auditor's audit or review, including any other matters required to be communicated to the Committee by the Independent Auditor under applicable GAAP or PCAOB Auditing Standards.

The Company's management is responsible for the preparation, presentation and integrity of the Company's financial statements and disclosures, and the Independent Auditor is responsible for auditing year-end financial statements and reviewing quarterly financial statements and conducting other procedures. It is not the duty of the Committee to certify the Company's financial statements, to guarantee the Independent Auditor's report or to plan or conduct audits. Because the primary function of the Committee is oversight, the Committee shall be entitled to rely on the expertise, skills and knowledge of

management and the Independent Auditor and the accuracy of information provided to the Committee by such persons in carrying out its oversight responsibilities. Nothing in this Charter is intended to change the responsibilities of management and the Independent Auditor.

Earnings Releases and Guidance

4.12. Review of Releases

The Committee or the Chairperson shall review and discuss with management and the Independent Auditor each of the Company's earnings releases prior to its issuance.

4.13. Periodic Review

In addition, the Committee shall periodically review and discuss with management and the Independent Auditor the type of presentation and information to be included in the Company's earnings releases (including, but not limited to, the use of "pro forma" and "non-GAAP" financial information and key performance indicators), and financial information and earnings guidance provided to analysts and rating agencies.

Compliance, Internal Controls & Risk Management

4.14. Risk Assessment and Risk Management

The Committee shall periodically (i) review and discuss with management (a) the effectiveness of the Company's enterprise risk management program, (b) management's risk assessment and guidelines and policies which govern the risk management process, (c) risks relating to the financial statements, auditing and financial reporting process, cybersecurity, key credit risks, liquidity risks and any of the Company's other major financial risk exposures and (d) the steps management has taken to identify, monitor, and control such risk exposures and (ii) report the results of such review to the full Board.

4.15. Internal Controls and Compliance Policies

The Committee shall periodically review and assess with management and the Independent Auditor the adequacy of the Company's internal control systems, the Company's policies on compliance with laws and regulations and the methods and procedures for monitoring compliance with such policies, and shall recommend improvements of such controls, policies, methods and procedures. The Committee shall also establish procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and (ii) the confidential, anonymous submission by the Company's employees of concerns regarding questionable accounting or auditing matters.

4.16. Review of Other Matters

The Committee shall review recommendations made by the Independent Auditor and such other matters in relation to the accounting, auditing and financial reporting practices and procedures of the Company as the Committee may, in its own discretion, deem desirable in connection with the review functions described above.

The Committee shall review with its general counsel and/or outside legal counsel, as applicable, any legal and regulatory matters, including legal cases against or regulatory investigations of the Company and its subsidiaries, that could have a significant impact on the Company's financial statements.

Corporate Governance

4.17. Board Reports

The Committee shall report regularly to the Board, and such report shall include any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the Company's Independent Auditor and the performance of the Company's internal audit function.

4.18. Committee Report

The Committee shall prepare and publish an annual committee report in the Company's proxy statement.

4.19. Review of Related Party Transactions

The Committee shall review, approve and oversee 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 develop policies and procedures for the Committee's approval of related party transactions.

4.20. Review of the Code of Business Conduct and Ethics

The Committee shall review compliance with the Code of Business Conduct and Ethics (the "***Code of Ethics***"). The Committee may grant waivers under the Code of Ethics. At least annually, the Committee shall conduct a review and assessment of the Code of Ethics and report to the Board regarding the general effectiveness of the Code of Ethics and the Company's controls and reporting procedures and recommend to the Board any changes to the Code of Ethics that it deems necessary.

5. Advisors

The Committee shall have the authority, in its sole discretion, to retain and obtain the advice and assistance of independent legal, financial and other advisors ("***Advisors***") as it deems necessary to fulfill its duties and responsibilities under this Charter, and to oversee the work of such Advisors. The Committee shall have the authority to determine, on behalf of the Company, the compensation of the Independent Auditor for its services in preparing or issuing an audit report or performing other audit, review or attest services for the Company and any Advisors employed by the Company. In addition, the Committee may determine the amount of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties, for which the Company must allocate appropriate funding. The Committee shall receive appropriate funding from the Company, as determined by the Committee, for the payment of compensation to such Advisors, including the Company's Independent Auditor.

6. Delegation of Authority

The Committee shall have the authority to form subcommittees consisting of one or more of its members when appropriate and delegate any of its responsibilities, along with the authority to take action in relation to such responsibilities, to one or more subcommittees as the Committee may deem appropriate in its sole discretion. The Committee shall not delegate to a subcommittee any power or authority required by law, regulation or listing standard to be exercised by the Committee as a whole. Any subcommittee will establish its own schedule and maintain written minutes of its meetings.

7. Performance Evaluation

The Committee shall conduct an annual self-evaluation of the performance of its duties under this Charter and shall present the results of the evaluation to the Board and shall review this Charter at least annually. The Committee shall conduct this evaluation in such manner as it deems appropriate. The Committee shall, as appropriate, make recommendations to management or the full Board as a result of its self-evaluation and review of this Charter.

8. Investigations and Information

The Committee shall have the authority to conduct investigations that it deems necessary to fulfill its responsibilities. The Committee shall have the authority to require any officer, director or employee of the Company, the Company's outside legal counsel and the Independent Auditor to meet with the Committee and any of its Advisors and to respond to their inquiries. The Committee shall have full access to the books, records and facilities of the Company in carrying out its responsibilities.