

**AUDIT COMMITTEE CHARTER**  
**NETWORK-1 TECHNOLOGIES, INC.**

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**A. Purpose**

The Audit Committee (the “Committee”) of Network-1 Technologies, Inc. (the “Company”) is appointed by the Board of Directors (the “Board”) to provide assistance to the Board in fulfilling its oversight responsibility with respect to (i) the integrity of the Company’s financial statements, (ii) the Company’s compliance with applicable accounting standards and legal and regulatory requirements, (iii) selecting and evaluating the qualifications and independence of, the Company’s independent registered public accounting firm (the “Independent Auditor”), (iv) evaluating the performance of the Company’s internal audit function and the Independent Auditor, and (v) the Company’s internal controls and procedures for disclosure and financial reporting.

**B. Committee Membership and Qualifications**

The Committee shall be comprised of no fewer than two members of the Board. Except as permitted by the applicable rules of NYSE MKT LLC (“NYSE MKT”), each member of the Committee shall satisfy the independence requirements of the NYSE MKT (previously adopted by the Company) and Section 10A-3 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Each member of the Committee must be able to read and understand fundamental financial statements and must not have participated in the preparation of the financial statements of the Company during the past three years. In addition, at least one member of the Committee shall qualify as an “audit committee financial expert” under Item 407(d)(5) of Regulation S-K.

Committee members shall be appointed by the Board. A Committee member may be removed by the Board at any time in its discretion, whereupon the resulting vacancy may be filled by the Board upon recommendation of the Nominating and Corporate Governance Committee. The Committee’s chairperson shall be appointed by the Board.

**C. Scope of Oversight**

Notwithstanding the foregoing, the Committee’s responsibilities are limited to oversight. Management is responsible for the preparation, presentation and integrity of the Company’s financial statements as well as the Company’s financial reporting process, accounting policies, internal audit function, internal accounting controls and disclosure controls and procedures. The Independent Auditor is responsible for performing an audit of the Company’s annual financial statements, expressing an opinion as to the conformity of such annual financial statements with generally accepted accounting principles (“GAAP”) and reviewing the Company’s quarterly financial statements. It is not the responsibility of the Committee to plan or conduct audits or to determine that the Company’s financial statements and disclosure are complete and accurate and in accordance with GAAP and applicable laws, rules and regulations.

Each member of the Committee shall be entitled to rely on the integrity of those persons within the Company and of the professionals and experts (including the Company’s Chief Financial Officer and the Independent Auditor) from which the Committee receives information

and, absent actual knowledge to the contrary, the accuracy of the financial and other information provided to the Committee by such persons, professionals or experts.

Further, auditing literature, particularly Statement on Auditing Standards No. 100, defines the term “review” to include a particular set of required procedures to be undertaken by independent auditors. The members of the Committee are not independent auditors, and the term “review” as used in this Charter is not intended to have that meaning and should not be interpreted to suggest that the Committee members can or should follow the procedures required of auditors performing reviews of financial statements.

#### **D. Committee Authority and Responsibilities**

The following shall be the principal recurring responsibilities of the Committee. These responsibilities are set forth as a guide, with the understanding that the Committee may alter or supplement them as appropriate to enable the Committee to carry out its duties, to the extent permitted by applicable laws (and any applicable listing standards), the Company’s Bylaws and Certificate of Incorporation, as amended.

The responsibilities and authority of the Committee shall be as follows:

(1) Sole authority and direct responsibility for the appointment, compensation, retention, termination (if necessary), evaluation and oversight of the work of the Independent Auditor engaged (including review of disagreements between management and the Independent Auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, and such Independent Auditor must report directly to the Committee;

(2) 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 submissions by Company employees of concerns regarding questionable accounting or auditing matters as well as notification by the Independent Auditor of illegal acts pursuant to 10A-3(B)(2) of the Exchange Act;

(3) have the authority to engage independent counsel and other advisers, as it determines necessary to carry out its duties;

(4) receive appropriate funding from the Company, as determined by the Committee in its capacity as a committee of the Board, for payment of: (i) compensation to any Independent Auditor engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company; (ii) compensation to any advisers employed by the Committee; and (iii) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties;

(5) ensure its receipt from the Independent Auditor of a formal written statement delineating all relationships between the auditor and the Company, consistent with the rules of the Public Company Accounting Oversight Board, and actively engaging in a dialogue with the Independent Auditor with respect to any disclosed relationships or services that may impact the

objectivity and independence of the Independent Auditor and for taking, or recommending that the full Board take, appropriate action to oversee the independence of the Independent Auditor;

(6) review and reassess the Committee's charter annually and recommend proposed changes to the Board of Directors of the Company;

(7) annual performance reviews of each member of the Committee;

(8) comply with, and establish policies and procedures, with respect to all pre-approval requirements of Section 10A(i) of the Exchange Act (including pre-approval and review of all permitted non-audit services to be provided by the Independent Auditor), all SEC rules relating to the administration by the Committee of the auditor engagement to the extent necessary to maintain the independence of the auditor as set forth in 17 CFR Part 210.2-01(c)(7);

(9) review any transactions between the Company and any related person whether or not they are required to be disclosed pursuant to SEC Regulation S-K, Item 404 and any successor rule ("Item 404") and review other related person transactions for potential conflicts of interest. The terms "related person" and "transaction" shall have the meanings given to such terms in Item 404, as may be amended from time to time. The Committee shall approve only those related person transactions that are determined to be in, or not inconsistent with, the best interests of the Company and its stockholders, taking into account all available facts and circumstances as the Committee determines in good faith to be necessary in accordance with principles of Delaware law generally applicable to directors of a Delaware corporation. No member of the Committee shall participate in any review, consideration or approval of any related party transaction with respect to which the member or any of his or her immediate family members has an interest. In reviewing and approving such transactions, the Committee shall obtain, or shall direct management to obtain on its behalf, all information that the Committee believes to be relevant and important to a review of the transaction prior to its approval. Following receipt of the necessary information, a discussion shall be held of the relevant factors if deemed to be necessary by the Committee prior to approval. If a discussion is not deemed to be necessary, approval may be given by written consent of the Committee. This approval authority may also be delegated to the chairperson of the Committee in some circumstances. No related person transaction shall be entered into prior to the completion of these procedures;

(10) review and discuss the audited financial statements (to be included in the Company's Annual Report on Form 10-K for the year subject to the audit), "Management's Discussion and Analysis of Financial Condition and Results of Operations" and disclosure of accounting policies and practices and determine whether to recommend to the Board that the audited financial statements be included in the Company's Annual Report on Form 10-K for the year subject to the audit;

(11) review and discuss the quarterly financial statements (to be included in the Company's quarterly reports on Form 10-Q) with management and the Independent Auditor, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and disclosure of accounting policies and practices and determine whether to recommend that the quarterly financial statements be included in the Company's quarterly reports on Form 10-Q;

(12) review and discuss with management the Company's disclosure control and procedures and management's conclusion as to the adequacy and effectiveness of such disclosure controls and procedures; and

(13) make such other recommendations to the Board on such matters, within the scope of its function, as may come to its attention and which in its discretion warrant consideration by the Board, including discussions with management regarding off-balance sheet arrangements and oversee risk exposure and risk management policies.

#### **E. Meetings**

The Committee shall meet at least four times per year, or more frequently as circumstances require. Meetings may be conducted in whole or in part by telephone conference. A majority of the members of the Committee shall constitute a quorum for the transaction of business, and, if a quorum is present, any action approved by at least a majority of the members present shall represent the valid action of the Committee. If the Committee consists of two members, valid action may be taken by one member provided the other member has provided written authority to do so. The chairperson of the Committee will preside at each meeting and, in consultation with the other members of the Committee, will set the frequency and length of each meeting and the agenda of items to be addressed at each meeting. The Committee may form subcommittees and delegate authority to them or to one or more of its members when appropriate. The Company shall make available to the Committee, at its meetings and otherwise, such individuals and entities as may be designated from time to time by the Committee, such as members of management, including but not limited to, the Chief Financial Officer, the Independent Auditors, outside counsel, and other individuals or entities (whether or not employed by the Company and including any individuals or entities performing internal audit or other services as independent contractors). The Committee shall maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.

#### **F. Delegation**

Any duties and responsibilities of the Committee, including, but not limited to, the authority to pre-approve all audit and permitted non-audit services, may be delegated to one or more members of the Committee or a subcommittee of the Committee.

#### **G. Operating Policies**

1. The Committee shall keep the minutes of all Committee meetings (designating in its discretion an individual to record the minutes) and approve the minutes by subsequent action. The Committee shall make the approved minutes of the Committee meetings available to the full Board for review.

2. The Committee shall determine its rules of procedure in accordance with the Company's principles of corporate governance and its Bylaws.

3. At each regular meeting of the Board held following a Committee meeting, the Committee shall report to the Board regarding the actions, activities and findings of the Committee since the last Board meeting, as well as any recommendations for action by the Board, when appropriate.

## **H. Committee Resources**

The Committee may retain any independent counsel, experts or advisors (accounting, financial or otherwise) that the Committee believes to be necessary or appropriate. The Committee may also utilize the services of the Company's regular legal counsel or other advisors to the Company. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to the Independent Auditor for the purpose of rendering or issuing an audit report or performing other audit, review or attestation services, for payment of compensation to any advisors employed by the Committee and for ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.