

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS OF ONCOTHYREON INC.

1. PURPOSE

The principal purposes of the Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of Oncothyreon Inc. (the “Corporation”) shall be to:

- provide oversight of the Corporation’s accounting and financial reporting processes and the audit of the Corporation’s financial statements;
- assist the Board in monitoring (1) the integrity of the Corporation’s financial statements, (2) the Corporation’s internal accounting and financial controls, (3) the Corporation’s compliance with legal and regulatory requirements, (4) the performance of the Corporation’s internal audit function, if applicable, and (5) the independent auditor’s qualifications, independence and performance; and
- provide to the Board such information and materials as it may deem necessary to make the Board aware of significant financial matters that require the attention of the Board.

The Committee shall also prepare the report required by the rules of the Securities and Exchange Commission (the “SEC”) to be included in the Corporation’s annual proxy statement.

2. MEMBERSHIP REQUIREMENTS

The Committee members will be appointed by, and will serve at the discretion of, the Board upon recommendation of the Corporate Governance and Nominating Committee (“CGNC”). The Committee members may be replaced by the Board. The Committee will consist of at least three members of the Board. Members of the Committee must meet the following criteria (as well as any additional criteria required by the Nasdaq Stock Market, Inc. Marketplace Rules (the “Nasdaq Rules”) and the SEC):

- each member must be an independent director in accordance with (i) the Committee requirements of the Nasdaq Rules and (ii) the rules of the SEC;
- each member must not have participated in the preparation of the financial statements of the Corporation or any current subsidiary of the Corporation at any time during the past three (3) years;
- each member must be able to read and understand fundamental financial statements, including the Corporation’s balance sheet, income statement and cash flow statement; and

- at least one member must have accounting or related financial management expertise, as the Board interprets such qualification in its business judgment, by virtue of such member's past employment experience in finance or accounting, requisite professional certification in finance or accounting, or any other comparable experience or background which results in such individual's financial sophistication.

The Board may designate one member of the Committee as its chair.

3. AUTHORITY AND RESPONSIBILITIES

- The Committee shall appoint and oversee the work of the independent auditors, approve the compensation of the independent auditors and review and, if appropriate, discharge the independent auditors. In this regard, the independent auditors shall report directly to the Committee, and the Committee shall have the sole authority to approve the hiring and discharging of the independent auditors, all audit engagement fees and terms and all permissible non-audit engagements with the independent auditors.
- The Committee shall pre-approve (or, where permitted under the rules of the SEC, subsequently approve) engagements of the independent auditors to render audit or non-audit services and/or establish pre-approval policies and procedures for such engagements, provided that (i) such policies and procedures are detailed as to the particular services rendered, (ii) the Committee is informed of each such service and (iii) such policies and procedures do not include delegation to management of the Committee's responsibilities under the Securities Exchange Act of 1934.
- The Committee shall review the independence of the independent auditors, including (i) obtaining on a periodic basis a formal written statement from the independent auditors delineating all relationships between the independent auditors and the Corporation, consistent with Independence Standards Board Standard No. 1, (ii) maintaining an active dialogue with the independent auditors, covering any disclosed relationship or services that may impair their objectivity and independence, (iii) presenting this statement to the Board and (iv) to the extent there are any such relationships, monitoring and investigating them and, if necessary, taking, or recommending to the Board that the Board take, appropriate action to oversee the independence of the outside auditors.
- The Committee shall evaluate, at least annually, the independent auditors' qualifications, performance and independence, which evaluation shall include a review and evaluation of the lead partner of the independent auditors and consideration of whether there should be rotation of the lead audit partner or the auditing firm, and take appropriate action to oversee the independence of the independent auditors.
- The Committee shall review, in consultation with the independent auditors, the annual audit plan and scope of audit activities and monitor such plan's progress.
- The Committee shall discuss and, as appropriate, review with management and the independent auditors the Corporation's annual and quarterly financial statements and

annual and quarterly reports on Forms 10-K and 10-Q, including the Corporation's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," discuss with the independent auditors any other matters required to be discussed by Statement on Auditing Standards 61, and recommend to the Board whether the audited financial statements and Management's Discussion and Analysis should be included in the Corporation's Form 10-K.

- The Committee shall discuss with management, the internal auditor and the independent auditors significant financial reporting issues raised and judgments made in connection with the preparation of the Corporation's financial statements, including the review of (i) major issues regarding accounting principles and financial statement presentation, including any significant changes in the Corporation's selection or application of accounting principles, and major issues as to the adequacy of the Corporation's internal controls and any special audit steps adopted in light of material control deficiencies; (ii) analyses prepared by management and/or the independent auditors setting forth significant financial reporting issues raised and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements; (iii) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the Corporation's financial statements; and (iv) the type and presentation of information to be included in earnings press releases, as well as any financial information and earnings guidance to be provided to analysts and rating agencies.
- The Committee shall receive, review and discuss quarterly reports from the independent auditors on (i) the major critical accounting policies and practices to be used; (ii) significant alternative treatments of financial information within GAAP that have been discussed with management; (iii) ramifications of the use of such alternative disclosures and treatments; (iv) any treatments preferred by the independent auditors; and (v) other material written communications between the independent auditors and management, such as any management letter or schedule of unadjusted differences.
- The Committee shall review on a regular basis with the Corporation's independent auditors any problems or difficulties encountered by the independent auditors in the course of any audit work, including management's response with respect thereto, any restrictions on the scope of the independent auditors' activities or on access to requested information, and any significant disagreements with management. The Committee shall resolve any disagreements between management and the independent auditors regarding financial reporting.
- The Committee shall discuss with management and the independent auditors any correspondence with regulators or governmental agencies and any published reports that raise material issues regarding the Corporation's financial statements or accounting policies.

- The Committee shall review and approve earnings press releases and financial information and earnings guidance to be provided to analysts and rating agencies, including any proposed use of “pro forma” or “adjusted” non-GAAP information.
- The Committee shall review and approve guidelines and policies with respect to risk assessment and risk management including insurance, related party transactions, and investments.
- The Committee shall discuss with the Corporation’s general counsel or outside legal matters that may have a material impact on the financial statements or the Corporation’s compliance procedures.
- The Committee shall review the adequacy and effectiveness of the Corporation’s internal control policies and procedures on a regular basis, including the responsibilities, budget and staffing of the Corporation’s audit function, as well as any special audit steps adopted in light of material control deficiencies, through inquiry and discussions with the Corporation’s independent auditors and management. In addition, the Committee shall review the reports prepared by management, and attested to by the Corporation’s independent auditors, assessing the adequacy and effectiveness of the Corporation’s internal controls and procedures, prior to the inclusion of such reports in the Corporation’s periodic filings as required under SEC rules. The Committee shall review disclosures regarding the Corporation’s internal controls that are required to be included in SEC reports.
- The Committee shall establish procedures for receiving, retaining and treating complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters and procedures for the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
- The Committee shall act as the Corporation’s Qualified Legal Compliance Committee (“QLCC”) for the purposes of internal and external attorney reporting under SEC rules. The Committee shall establish procedures for the confidential receipt, retention and consideration of any attorney report to the QLCC.
- The Committee shall review, approve and monitor the portions of the Corporation’s code of ethics applicable to its senior financial officers.
- The Committee shall establish and periodically review a related party transaction policy and review and approve in advance any proposed related party transaction in accordance with such policy.
- The Committee shall oversee compliance with the requirements of the SEC for disclosure of auditor’s services and the Committee member qualifications and activities.
- The Committee shall make regular reports to the Board, which reports shall include any issues that arise with respect to the quality or integrity of the Corporation’s financial statements, the Corporation’s compliance with legal or regulatory requirements, the

performance and independence of the Corporation's independent auditors or the performance of the internal audit function.

- The Committee will receive for consideration annually the CGNC's evaluation of this Charter and any recommended changes and, in the Committee's discretion, make recommendations to the Board for consideration. Recommended amendments to this Charter shall require the approval of at least a majority of the members of the Board.
- At least annually, the Committee shall evaluate its performance.
- The Committee shall have the authority to engage independent counsel and other advisers, as it determines necessary to carry out its duties. The Corporation shall provide for appropriate funding, as determined by the Committee, for payment of (i) compensation to the independent auditors engaged for the purpose of preparing or issuing an audit report or performing other audit review or attest services for the Corporation, (ii) compensation to any advisers employed by the Committee and (iii) ordinary administrative expenses of the Committee that are necessary or appropriate for carrying out its duties.
- Periodically, the Committee shall meet separately with the Corporation's management, with the internal auditors and with the independent auditors.
- The Committee may form subcommittees for any purpose that the Committee deems appropriate and may delegate to such subcommittees such power and authority as the Committee deems appropriate. 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.
- The Committee will set its own schedule of meetings and will meet at least quarterly, with the option of holding additional meetings at such times as it deems necessary. The Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.
- The Committee shall perform such other functions as assigned by law, the Corporation's certificate of incorporation or bylaws or the Board.

4. LIMITATION OF AUDIT COMMITTEE'S ROLE

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Corporation's financial statements and disclosures are complete, accurate and in accordance with GAAP and applicable rules and regulations. These are the responsibilities of management and the independent auditors.

It is recognized that the members of the Committee are not full-time employees of the Corporation, that it is not the duty or responsibility of the Committee or its members to conduct "field work" or other types of auditing or accounting reviews or procedures or to set auditor independence standards, and that each member of the Committee shall be entitled to rely on (i) the integrity of those persons

and organizations within and outside the Corporation from which the Committee receives information and (ii) the accuracy of the financial and other information provided to the Committee, in either instance absent actual knowledge to the contrary.

Approved by the Board of Directors on October 1, 2009.