

## **TG Therapeutics, Inc. Audit Committee Charter**

### **I. PURPOSE AND AUTHORITY.**

The Audit Committee (the "Committee") is a committee appointed by the Board of Directors of TG Therapeutics, Inc. (the "Company"). Its primary function is to assist the Board of Directors in overseeing (1) the accounting and financial reporting processes of the Company, (2) the audits of the financial statements of the Company, and (3) the qualifications, independence and performance of the Company's registered public accounting firm ("Independent Auditor").

The Committee also prepares a written report to be included in the annual proxy statement of the Company pursuant to the applicable rules and regulations of the Securities and Exchange Commission (the "SEC").

In furtherance of these purposes, the Committee shall maintain direct communication among the Company's independent auditors and the Board of Directors. The independent auditors and 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 shall report directly to the Committee and are ultimately accountable to the Committee and the Board of Directors.

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. The Committee shall have the sole authority to retain at the Company's expense outside legal, accounting or other advisors to advise the Committee and to receive appropriate funding, as determined by the Committee, from the Company for the payment of the compensation of such advisors and for the payment of ordinary administrative expenses of the Committee that are necessary to carry out its duties. The Committee may request any officer or employee of the Company or the Company's outside counsel or independent auditors to attend a meeting of the Committee or to meet with any member of, or advisors to, the Committee. The Committee may also meet with the Company's investment bankers or financial analysts who follow the Company.

### **II. COMPOSITION OF THE COMMITTEE.**

The Board of Directors shall appoint the members of the Committee. The membership of the Committee shall be governed by the following requirements:

- it must consist of at least three members of the Board of Directors, all of whom shall meet the independence and experience requirements in accordance with applicable laws, including the rules and regulations of the Nasdaq Stock Market ("Nasdaq") or such other exchange on which shares of the common stock of the Company are traded, Section 10A of the Securities Exchange Act of 1934 (the "Exchange Act") and all other applicable rules and regulations of the SEC;
- at least one member of the Committee shall be an "audit committee financial expert" as determined by the business judgment of the Board of Directors; and
- each member must be able to read and understand fundamental financial statements, including the Company's balance sheet, income statement and cash flow statement.

The Chairman of the Committee shall be designated by the Board of Directors. In the absence of the Chairman, the members of the Committee may designate a chairman by majority vote. The Board of Directors may, at any time, remove one or more directors as members of the Committee. The Board of Directors may designate one or more members of the Board as alternative members of the Committee, who may replace any absent or disqualified member or members at any meetings of the Committee. In addition, no person may be made a member of the Committee if his or her service on the Committee would violate any restrictions imposed by any rules of the SEC, Nasdaq or any other exchange on which shares of the common stock of the Company are traded.

The Audit Committee may form and delegate authority to one or more subcommittees as it deems appropriate from time to time under the circumstances.

### **III. MEETINGS OF THE COMMITTEE.**

The Committee shall meet on a schedule and in a manner that the Audit Committee shall establish. The majority of the members of the Audit Committee shall constitute a quorum. The Audit Committee may also act by unanimous written consent in lieu of a meeting. The Committee shall meet periodically with management, the internal auditors, if any, and the independent auditors in separate executive sessions. The Committee shall keep such records of its meetings as it shall deem appropriate.

### **IV. COMPENSATION OF THE COMMITTEE.**

The compensation of the Audit Committee members shall be as determined by the Board of Directors. No member of the Audit Committee may receive, directly or indirectly, any compensation from the Company other than director's fees (in cash and/or company shares or options or in-kind consideration).

### **V. AUDIT COMMITTEE AUTHORITY.**

The Audit Committee shall maintain unrestricted communication with the independent auditors, the Company's internal audit function personnel, counsel and financial management to assure that each understands and accepts its responsibilities for direct communication with the Audit Committee as appropriate. The Audit Committee shall have full access to the books and records of the Company, as well as full access to interview employees, if necessary. The Chairman of the Audit Committee shall have the authority to direct the Company's internal audit function to carry out such special audit projects as, in the Chairman's judgment, are warranted.

The Audit Committee shall review and reassess the adequacy of the Audit Committee Charter and the performance of the Committee at least annually, and suggest updates the Audit Committee Charter to the Board of Directors as conditions dictate. The approval of the Board of Directors shall be obtained for all revisions or changes to the Charter.

### **VI. RESPONSIBILITIES OF THE COMMITTEE.**

#### *A. General*

The Audit Committee shall discharge its responsibilities and shall assess the information provided by the Company's management, the internal auditor and the independent auditors, in accordance with its business judgment. Management is responsible for the preparation, presentation, and integrity of the Company's financial statements, for the appropriateness of the accounting principles and the reporting policies that are used by the Company and for establishing and maintaining adequate internal control over financial reporting. The independent auditors are responsible for auditing the Company's financial statements and the Company's internal control over financial reporting and for reviewing the Company's unaudited interim financial statements. The authority and responsibilities set forth in this Charter do not reflect or create any duty or obligation of the Audit Committee to plan or conduct any audit, to determine or certify that the Company's financial statements are complete, accurate, fairly presented, or in accordance with generally accepted accounting principles or in accordance with generally accepted accounting principles or applicable law, or to guarantee the independent auditor's report.

#### *B. Oversight of Independent Auditors*

1. Selection and Reporting - The Audit Committee shall be directly responsible for appointing, evaluating and, when necessary, terminating the independent auditors. The Audit Committee is also directly responsible for oversight of the independent auditor's work, including the resolution

of disagreements between Company, management and the independent auditors regarding financial reporting. The independent auditors shall report directly to the Audit Committee.

2. Compensation - The Audit Committee shall take direct responsibility for setting compensation of the independent auditors. The Audit Committee is empowered, without further action by the Board of Directors, to cause the Company to pay the compensation of the independent auditor established by the Audit Committee.
3. Independence - On an annual basis, the Audit Committee shall receive from the independent auditors the formal written disclosure and letter required by Independence Standards Board Standard No. 1, and discuss with the independent auditors all significant relationships the auditors have with the Company that may impact the objectivity and independence of the independent auditor. In addition, the Audit Committee shall take the appropriate actions necessary to ensure the continuing independence of the auditors.
4. Quality-Control Report – At least annually, the Audit Committee shall obtain and review a report by the independent auditors describing:
  - the internal quality-control procedures at the independent auditor’s firm; and
  - any material issues raised by the most recent internal quality-control review, or peer review, of the independent auditor’s firm, or by any inquiry or investigation by any governmental or professional authorities, within the preceding five years, relating to one or more independent audits carried out by the independent auditor’s firm, and any steps taken to deal with any such issues.
5. Review Scope of Services – The Audit Committee shall meet with the independent auditors and financial management of the Company to review the scope of the proposed audit and quarterly reviews for the current year and the procedures to be utilized. The review of the procedures of the audit plan shall include the plan’s timing, scope, staffing, locations, foreseeable issues, and the priorities and procedures should be reviewed.
6. Discussion of Independent Auditors’ Comments and Recommendations – The Audit Committee shall meet with the independent auditors, outside the presence of management, to review their comments and recommendations with respect to:
  - internal accounting controls;
  - internal audit procedures and audit difficulties, including restrictions on the scope of the independent auditors’ activities or access to requested information or significant disagreements with management;
  - analyses prepared by management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods;
  - the effect of regulatory and accounting initiatives, as well as off balance sheet structures;
  - the adequacy and effectiveness of the Company’s disclosure controls and procedures;
  - any related significant findings and recommendations of the independent auditors together with management’s responses thereto; and
  - other matters relating to the accounting procedures and records of the Company.
7. Interim Financial Information – The Audit Committee shall direct the independent auditor to use its best efforts to perform all reviews of interim financial information prior to disclosure by the Company of such information and to discuss promptly with the Audit Committee and the Chief

Financial Officer any matters identified in connection with the auditor's review of interim financial information that are required to be discussed by applicable auditing standards

8. Pre-approval of Services – The Audit Committee shall pre-approve all audit services to be provided to the Company, whether provided by the principal auditor or other firms, and all other services (review, attest and non-audit) to be provided to the Company by the independent auditor; provided, however, that de minimis non-audit services may instead be approved in accordance with applicable rules and regulations. The Audit Committee shall cause the Company to comply with any applicable disclosure requirements regarding approval by the Audit Committee of any non-audit services to be performed by the independent auditor. Any decision of a subcommittee to pre-approve audit or non-audit services shall be presented to the full Audit Committee at its next scheduled meeting.

#### *C. Review of Financial Data and Disclosures*

1. Review of Quarterly Reviewed and Annual Audited Financial Data – The Audit Committee shall meet to review and discuss the financial data to be included in the Company's quarterly financial statements and annual report; any accompanying opinions of the independent auditors; and any matters required to be discussed by applicable auditing standards. The Audit Committee shall discuss such items with financial management and the independent auditors and shall report thereon to the Board of Directors prior to the release, by public filing or other public disclosure, of earnings.
2. Review of Auditor Reports – The Audit Committee shall review and evaluate reports required to be made by the independent auditor pursuant to critical accounting policies and practices; alternative treatments of financial information within generally accepted accounting principles that have been discussed with Company management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor; and other material written correspondence between Company management and the independent auditor, such as a management letter or schedule of unadjusted differences. Following completion of the annual audit, the Audit Committee will review separately with each of management and the independent auditors any significant difficulties encountered during the course of the audit.
3. Disagreements - The Audit Committee shall review any significant disagreement among management and the independent auditors in connection with the preparation of the financial statements
4. Changes - The Audit Committee shall review with the independent auditors and management the extent to which changes or improvements in financial or accounting practices, as approved by the Committee, have been implemented.

#### *D. Review of Internal Reports and Processes*

1. Review of Internal Audit Function – The Audit Committee shall review and evaluate the activities and recommendations of the Company's internal audit function and the responses of the Company to such recommendations, including the independence and authority of the function. The Audit Committee is responsible to review the scope of the internal audit function as well as its staffing and compensation.
2. Oversight of Company's Internal Control Processes – The Audit Committee shall coordinate the Board of Director's oversight of the Company's significant internal control processes, including

the process of preparing the interim and annual financial results; disclosure controls and procedures; internal audit function; and code of business conduct and ethics.

3. Personnel Review – The Audit Committee shall review and evaluate the succession planning of the Company's senior financial management.
4. Hiring Policies - The Audit Committee shall establish policies regarding the hiring of employees or former employees of the Company's independent auditors.
5. Risk Management – The Audit Committee shall discuss the Company's policies with respect to risk assessment and risk management, including guidelines and policies to govern the process by which the Company's exposure to risk is handled. The Audit Committee should also discuss the Company's major financial risk exposures and steps taken by management to monitor and control such exposures.
6. Related Party Transactions – The Audit Committee shall review and approve the Company's policies and procedures for reviewing and approving related party transactions and, to the extent no other policy or procedure applies to a particular proposed related party transaction, the Audit Committee shall have the authority to review and approve such transaction.

#### *E. Administration*

1. Audit Committee Independence – The Audit Committee shall make inquiry of each member of the Audit Committee to confirm compliance with independence requirements as defined by relevant laws and regulations to the extent applicable to the Company.
2. Outside Consultants – The Audit Committee shall retain independent counsel or consultants if necessary to carry out its responsibilities. The Audit Committee is empowered, without further action by the Board of Directors, to cause the Company to pay the compensation of such advisors.
3. Administrative Expenses – The Audit Committee is empowered without further action by the board of Directors, to cause the Company to pay the ordinary administrative expenses of the Audit Committee that are necessary or appropriate to carry out its duties.
4. Report to Board of Directors – The Audit Committee shall report, no less frequently than annually or more frequently as circumstances require, to the Board of Directors concerning the Audit Committee's actions since the previous report and the Audit Committee's agenda for the ensuing year, which report shall contain recommendations as appropriate. The Report should include (a) the independent auditors' internal quality control procedures, (b) any material issues raised by the most recent internal quality-control review, or peer review, of the independent auditors or by any inquiry or investigation by governmental or professional authorities within the preceding five years concerning any of the independent audits carried out by the independent auditors, as well as the steps taken to deal with such issues, and (c) all relationships between the Company and the independent auditors.
5. Annual Self-Evaluation – At least annually, the Audit Committee shall evaluate its own performance.

#### *F. Ethical and Legal Compliance*

1. Establish, review and update periodically a code of ethical conduct and ensure that management has established a system to enforce this code.
2. Review management's monitoring of the Company's compliance with the Company's code of ethical conduct, and ensure that management has the proper review system in place to ensure that the Company's financial statements, reports and other financial information disseminated to governmental organizations and the public satisfy legal requirements.
3. Establish procedures for (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, and auditing matters, and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
4. Conduct an appropriate review of all related party transactions for potential conflict of interest situations, and approve all related party transactions. For purposes hereof, the term "related party transaction" shall refer to the transactions required to be disclosed pursuant to the SEC's Item 404 of Regulation S-K.
5. Conduct or authorize investigations into any matters within the Committee's scope of responsibilities and retain special independent legal, accounting or other advisors to advise the Committee as necessary to carry out its duties.
6. Review, with Company outside counsel, any legal matter that could have a significant impact on the Company's financial statements.
7. Perform any other activities consistent with the Audit Committee Charter, the Company's Bylaws and governing law, as the Committee or the Board of Directors deems necessary or appropriate.

#### **VII. LIMITATION OF AUDIT COMMITTEE'S ROLE.**

While the Committee has the responsibilities and powers set forth in this Audit Committee Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete, accurate and in accordance with generally accepted accounting principles and applicable rules and regulations. The foregoing is the responsibility of management.