

## **HedgePath Pharmaceuticals, Inc.**

### **Charter of the Audit Committee of the Board of Directors (the “Committee”)**

The following Audit Committee Charter was adopted by the Board of Directors (the “**Board**”) of HedgePath Pharmaceuticals, Inc., a Delaware corporation (the “**Company**”).

#### **A. Purpose**

The Committee is to represent and assist the Board in its oversight of (1) the integrity of the Company’s financial statements and financial reporting processes and systems of internal accounting and financial controls, (2) the independence, qualifications and performance of the Company’s independent registered accounting firm, and (3) the Company’s compliance with legal and regulatory requirements. The Committee shall also prepare reports required to be prepared by the Committee pursuant to the rules of the Securities and Exchange Commission, the listing standards of any exchange or national listing market system upon which the Company’s securities are listed for trading, or any other applicable laws or regulations.

#### **B. Members**

The Committee shall consist of at least a majority of “independent directors” (as defined below). The Board shall designate one member as Chairman of the Committee. Each member of the Committee must be able to read and understand fundamental financial statements, including the Company’s balance sheet, income statement and statement of cash flows. At least one member of the Committee shall be an “audit committee financial expert” as defined by the Securities and Exchange Commission.

#### **C. Investigations; Outside Advisors**

In connection with its oversight role, the Committee shall have the power and authority investigate any matter brought to its attention with full access to books and records, facilities, personnel of the Company and the Company’s independent registered accounting firm. The Committee shall have the authority to retain such outside legal, accounting or other consultants or advisors as it determines appropriate to assist it in such investigations or otherwise in the performance of its functions, or to advise or inform the Committee. The Committee may also meet with investment bankers and financial analysts. The Committee may request any officer or employee of the Company or the Company’s outside counsel or independent registered accounting firm to attend a meeting of the Committee or to meet with any member of, or consultants to, the Company. The Company shall provide for payment of compensation to and expenses of its independent registered accounting firm and to any counsel or advisors retained by the Committee.

#### **D. Duties and Responsibilities**

On behalf of the Board, the Committee shall, among its duties and responsibilities:

1. Appoint, compensate, retain and oversee the work of the Company’s independent registered accounting firm. In this regard, the Committee shall appoint and retain, subject to approval by the Company’s shareholders, compensate, evaluate and terminate, when appropriate, the Company’s independent registered accounting firm, which shall report directly to the Committee.

2. Preapprove all auditing services, internal control-related services, and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by its independent

registered accounting firm, subject to de minimus exceptions that are approved by the Committee subject to completion of any audit.

3. Review the annual audited financial statements with management and the Company's independent registered accounting firm, including the Company's disclosures under Management's Discussion and Analysis of Financial Condition and Results of Operations. Also included in such review shall be significant issues and judgments regarding accounting and auditing principles and practices, and the effect of regulatory and accounting initiatives on the Company's financial statements. The Committee shall recommend to the board whether the financial statements should be included in the Form 10-K.

4. Review and discuss with management and the Company's independent registered accounting firm the Company's quarterly financial statements prior to filing the Form 10-Q, including the results of such independent registered accounting firm's review of them and the Company's disclosures under Management's Discussion and Analysis of Financial Condition and Results of Operations.

5. Review major changes to the Company's accounting and auditing principles and practices as suggested by management or the Company's independent registered accounting firm.

6. Meet periodically with management to review the Company's major financial and business risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.

7. Obtain and review, at least annually, a report by the Company's independent registered accounting firm describing the independent registered accounting firm's internal quality-control procedures, and any material issues raised by the most recent internal quality-control review, or peer review, 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 Company's independent registered accounting firm, and any steps taken to deal with any such issues.

8. Consider, at least annually, the independence of the Company's independent registered accounting firm, and receive from and discuss with such independent registered accounting firm the auditor's report regarding its independence.

9. Meet with the Company's independent registered accounting firm prior to the audit to review the scope and planning of the audit.

10. Review with the Company's independent registered accounting firm the results of the annual audit examination, and any issues the auditor may have encountered in the course of its audit work and management's response. This review should include, among other things, any management letter, any restrictions on the scope of activities or access to required information.

11. Receive reports from the Company's independent registered accounting firm and management regarding, and review the adequacy and effectiveness of, the Company's internal controls and significant changes in such controls reported to the Committee by the independent registered accounting firm or management. Receive reports from management regarding, and review the adequacy and effectiveness of, the Company's disclosure controls and procedures.

12. Ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law.

13. Discuss with management the Company's earnings releases and corporate policies with respect to releases and financial information and earnings guidance provided to analysts and rating agencies.

14. Review candidates for the positions of chief financial officer, treasurer and controller of the Company.

15. 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 concerns regarding questionable accounting or auditing matters.

16. Establish policies for hiring employees and former employees of the Company's independent registered accounting firm.

17. Advise the Board with respect to the Company's policies and procedures regarding compliance with applicable laws and regulations and with the Company's policies for Code of Ethical Conduct.

18. Review with the Company's General Counsel (or outside counsel, if there is no General Counsel) and independent registered accounting firm (1) legal matters that may have a material impact on the financial statements, (2) any fraud involving management or other employees who have a significant role in the Company's internal controls, (3) compliance policies, and (4) any material reports or inquiries received from regulators, governmental agencies or employees that raise material issues regarding the Company's financial statements and accounting or compliance policies.

19. Review this Charter annually and recommend any changes for approval by the Board.

20. Review the Committee's own performance annually.

21. Consider such other matters in relation to the financial affairs of the Company, its accounts and the independent audit of the Company, as the Committee may, in its discretion, determine to be advisable.

#### **E. Meetings**

The Committee shall meet at least four times per year, either in person or telephonically, and at such times and places as the Committee shall determine. At each such regularly scheduled meeting, the Committee shall meet in separate executive sessions with the Company's executive management, the Company's independent registered accounting firm and the Committee itself, in each case as deemed appropriate by the Committee. The Committee shall regularly report its activities to the Board, and shall maintain minutes of its meetings.

#### **F. Limitations**

The Committee is responsible for the duties set forth in this Charter, but is not responsible for the preparation of the financial statements or the auditing thereof. Management has the responsibility for preparing the financial statements and implementing internal controls and the independent registered accounting firm has the responsibility for auditing the financial statements and monitoring the effectiveness of the internal controls.

#### **G. Non-affiliate, independent director**

An “independent director” means a person other than an officer or employee of the Company or its subsidiaries or any other individual having a relationship which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The following person shall not be considered independent:

1. A director who is employed by the Company or any of its affiliates for the current year or any of the past three years.

2. A director who accepts any compensation from the Company or any of its affiliates in excess of \$120,000 during the previous fiscal year, other than compensation for Board service, benefits under a tax-qualified retirement plan, or non-discretionary compensation.

3. A director who is a member of the immediate family of an individual who is, or has been in any of the past three years, employed by the Company or and or its affiliates as an executive officer. Immediate family includes a person’s spouse, parents, children, siblings, mother-in-law, father-in-law, brother-in-law, sister-in-law-, daughter-in-law, and anyone who resides in such person’s home.

4. A director who is a partner in, or a controlling shareholder or an executive officer of, any for-profit business organization to which the Company made, or from which the Company received payments (other than those arising solely from investments in the Company’s securities) that exceed 5% of the Company’s or business organization’s consolidated gross revenues for that year, or \$200,000, whichever is more, in any of the past three years.

5. A director who is employed as an executive of another entity where any of the Company’s executives serve on that entity’s Compensation Committee.

**H. Amendment**

Any amendment or other modification of this Charter shall be made and approved by the Board and posted on the Company’s website.

**I. Impact of Charter**

This charter does not change or augment the obligations of the Company, the Board, the Committee or its directors or management under the federal or state securities laws or create new standards for determining whether the Board, the Committee or the Company’s directors or management have fulfilled their duties, including fiduciary duties, under applicable law.

**J. Disclosure of Charter**

This Charter shall be made available to the public on the Company’s website.

Adopted: July 18, 2014  
Amended as of May 2, 2016