

NervGen Pharma Corp.

AUDIT COMMITTEE CHARTER

Approved by the Board
Effective September 26, 2018 and revised on February 23, 2022.

Purpose

The Audit Committee (the “**Audit Committee**”) assists the Board of Directors (the “**Board**”) of NervGen Pharma Corp. (“**NervGen**” or the “**Company**”) in fulfilling its oversight responsibilities in relation to the following:

- i. the integrity of the Company’s financial statements;
- ii. the Company’s compliance with legal and regulatory requirements;
- iii. the qualifications, independence and performance of the Company’s independent auditors engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company (the “**External Auditors**”);
- iv. the performance of the Company’s internal audit function; and
- v. the preparation of the report required by applicable securities regulators to be included in the Company’s annual proxy statement.

Composition and Process

- (a) The Audit Committee shall be composed of a minimum of three members of the Board of Directors, each of whom are independent. An independent director, as defined in National Instrument 52-110 - *Audit Committees* (“**NI 52-110**”), is a director who has no direct or indirect material relationship which could, in the view of the Company’s Board of Directors, be reasonably expected to interfere with the exercise of a member’s independent judgment or as otherwise determined to be independent in accordance with NI 52-110 or other applicable laws, regulations, rules and guidelines. The Board may remove members of the Audit Committee at any time, with or without cause.
- (b) Members shall serve one-year terms and may serve consecutive terms, which are encouraged to ensure continuity of experience. Resignation or removal of a Director from the Board, for whatever reason, shall automatically constitute resignation or removal, as applicable, from the Audit Committee. Vacancies, for whatever reason, may be filled only by the Board.
- (c) The chairperson (the “**Chair**”) shall be designated by the Board; provided, that if the Board does not so designate a Chair, the Audit Committee shall choose one of its members to be its Chair by majority vote.
- (d) All members of the Audit Committee shall be financially literate. Financial literacy is the ability to read and understand a balance sheet, income statement and cash flow statement that present a breadth and level of complexity comparable to the Company’s financial statements. At least one member of the Audit Committee shall have past employment experience in finance or accounting, requisite professional certification in accounting, or comparable experience or background that results in the individual’s financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight

responsibilities. One or more members of the Audit Committee may qualify as an “audit committee financial expert” under the rules promulgated by applicable securities regulations.

- (e) A member of the Audit Committee may not, other than as a member of the Audit Committee, the Board or any other committee established by the Board, receive directly or indirectly any consulting, advisory or other compensatory fee from the Company.
- (f) The Chairperson shall, in consultation with management and the external auditor and internal auditor (if any), establish the agenda for the meetings and ensure that properly prepared agenda materials are circulated to the members with sufficient time for study prior to the meeting. The external auditor will also receive notice of all meetings of the Audit Committee. The Audit Committee may employ a list of prepared questions and considerations as a portion of its review and assessment process.
- (g) The Audit Committee shall meet as often as it deems appropriate, but no less frequently than quarterly. A quorum at meetings of the Audit Committee shall be a majority of its members. The Audit Committee may hold its meetings, and members of the Audit Committee may attend meetings, by telephone conference or other electronic means if this is deemed appropriate. In lieu of a meeting, the Audit Committee may act by unanimous written consent in accordance with the Company’s articles of incorporation.
- (h) The minutes of the Audit Committee meetings shall accurately record the decisions reached and shall be distributed to Audit Committee members with copies to the Board of Directors, the Chief Executive Officer, the Chief Financial Officer and the external auditor.
- (i) The Audit Committee reviews, prior to their presentation to the Board of Directors and their release, all material financial information required by securities legislation and policies.
- (j) The Audit Committee enquires about potential claims, assessments and other contingent liabilities.
- (k) The Audit Committee periodically reviews with management, depreciation and amortization policies, loss provisions and other accounting policies for appropriateness and consistency.
- (l) The Audit Committee shall review and reassess the adequacy of this Charter annually and recommend to the Board any amendments or modifications it deems appropriate.

Authority

- (m) Appointed by the Board of Directors pursuant to the provisions of the *Business Corporations Act* (British Columbia) and the by-laws of the Company.
- (n) Primary responsibility for the Company’s financial reporting, accounting systems and internal controls is vested in senior management and is overseen by the Board of Directors. The Audit Committee is a standing committee of the Board of Directors established to assist it in fulfilling its responsibilities in this regard. The Audit Committee shall have responsibility for overseeing management reporting on internal controls. While it is management’s responsibility to design and implement an effective system of internal control, it is the responsibility of the Audit Committee to ensure that management has done so.

- (o) In fulfilling its responsibilities, the Audit Committee shall have unrestricted access to the Company's personnel and documents and will be provided with the resources necessary to carry out its responsibilities.
- (p) The Audit Committee shall have direct communication channels with the internal auditor (if any) and the external auditor to discuss and review specific issues, as appropriate.
- (q) The Audit Committee shall have the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties.
- (r) The Audit Committee shall establish the compensation to be paid to any advisors employed by the Audit Committee and such compensation shall be paid by the Company as directed by the Audit Committee.

Relationship with External Auditors

- (s) The Audit Committee shall be directly responsible for appointing, retaining and terminating, and for determining the compensation, of the Company's External Auditors. The Audit Committee may consult with management in fulfilling these duties, but may not delegate these responsibilities to management.
- (t) An external auditor must report directly to the Audit Committee.
- (u) The Audit Committee is directly responsible for overseeing the work of the external auditor including the review and approval of the scope and staffing of the external auditor annual audit plan and the resolution of disagreements between management and the external auditor regarding financial reporting.
- (v) The Audit Committee shall implement structures and procedures to ensure that it meets with the external auditor as frequently as it deems necessary and at least annually in the absence of management.
- (w) At least annually, and before the external auditors issue their report on the annual financial statements, the Audit Committee shall obtain from the external auditors a formal written statement describing all relationships between the external auditors and the Company; discuss with the external auditors any disclosed relationships or services that may affect the objectivity and independence of the external auditors; and obtain written confirmation from the external auditors that they are objective and independent within the meaning of the applicable Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of chartered accountants to which the external auditors belong and other Applicable Requirements. The Audit Committee shall take appropriate action to oversee the independence of the external auditors.

Accounting Systems, Internal Controls and Procedures

- (x) Obtain reasonable assurance from discussions with and/or reports from management, and reports from external auditors that accounting systems are reliable and that the prescribed internal controls are operating effectively for the Company and its subsidiaries and affiliates.
- (y) The Audit Committee shall review to ensure to its satisfaction that adequate procedures are in place for the review of the Company's disclosure of financial information extracted or derived

from the Company's financial statements and will periodically assess the adequacy of those procedures.

- (z) Direct the external auditor's examinations to particular areas.
- (aa) Review control weaknesses identified by the external auditor, together with management's response.
- (bb) Review with the external auditor its view of the qualifications and performance of the key financial and accounting executives.
- (cc) In order to preserve the independence of the external auditor the Audit Committee will:
 - (i) recommend to the Board of Directors the external auditor to be nominated; and
 - (ii) recommend to the Board of Directors the compensation of the external auditor's engagement;
- (dd) The Audit Committee shall review and pre-approve any engagements for non-audit services to be provided by the external auditor or its affiliates, together with estimated fees, and consider the impact on the independence of the external auditor.
- (ee) Review with management and with the external auditor any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgments of management that may be material to financial reporting.
- (ff) The Audit Committee shall review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and most recent former external auditor of the Company.
- (gg) The Audit Committee shall 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 the Company of concerns regarding questionable accounting or auditing matters.
- (hh) The Audit Committee shall on an annual basis, prior to public disclosure of its annual financial statements, ensure that the external auditor has entered into a participation agreement and has not had its participant status terminated, or, if its participant status was terminated, has been reinstated in accordance with the Canadian Public Accountability Board ("**CPAB**") and Public Company Accounting Oversight Board ("**PCAOB**") bylaws and is in compliance with any restriction or sanction imposed by the CPAB or PCAOB.

Statutory and Regulatory Responsibilities

- (ii) Annual Financial Information - review the annual audited financial statements and related management's discussion and analysis ("**MD&A**"), including any letter to shareholders and related press releases, and recommend their approval to the Board of Directors, after discussing matters such as the selection of accounting policies (and changes thereto), major accounting judgments, accruals and estimates with management and the external auditor.

- (jj) Annual Report - review the management MD&A section and all other relevant sections of the annual report, if prepared, to ensure consistency of all financial information included in the annual report.
- (kk) Interim Financial Statements - review the quarterly interim financial statements and related MD&A, including any letter to shareholders and related press releases and recommend their approval to the Board of Directors.
- (ll) Earnings Guidance/Forecasts - review forecasted financial information and forward-looking statements.
- (mm) Review the Company's financial statements, MD&A, prospectuses or other securities offering document, earnings press releases and any other publicly disseminated material financial disclosure before the Company publicly discloses such information.

Reporting

- (nn) Report, through the Chairperson of the Audit Committee, to the Board of Directors following each meeting on the major discussions and decisions made by the Audit Committee.
- (oo) Report annually to the Board of Directors on the Audit Committee's responsibilities and how it has discharged them.
- (pp) Review the Audit Committee's Charter annually and recommend the approval of any proposed amendments to the Board of Directors.

Other Responsibilities

- (qq) Investigating fraud, illegal acts or conflicts of interest.
- (rr) Discussing selected issues with corporate counsel or the external auditor or management.