

AUDIT COMMITTEE CHARTER
OF
AKARI THERAPEUTICS PLC
(the “Company”)

I. PURPOSE

The Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of the Company shall act on behalf of the Board in fulfilling the Board’s responsibility to the Company’s shareholders relating to the Company’s accounting, financial reporting practices, the system of internal control, the audit process, the quality and integrity of its financial reports, prepare the report required by the rules of the Securities and Exchange Commission (the “SEC”) to be included in the Company’s annual proxy statement and the Company’s process for monitoring compliance with laws and regulations and the Company’s code of conduct.

The Committee’s responsibility is oversight. Management of the Company has the responsibility for the Company’s financial statements as well as the Company’s financial reporting process, principles, and internal controls. 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, reviewing the Company’s quarterly financial statements and other procedures. Each member of the Committee shall be entitled to rely on (i) the integrity of those persons within the Company and of the professionals and experts (such as the independent auditor) from which it receives information, (ii) the accuracy of the financial and other information provided to the Committee by such persons, professionals or experts absent actual knowledge to the contrary and (iii) representations made by management of the independent auditor as to any non-audit services provided by the independent auditor to the Company.

II. AUTHORITY

The Committee has the authority to conduct or authorize investigations into any matters within its scope of responsibility. Its primary duties and responsibilities are to:

- Appoint, compensate, and oversee the work of any registered public accounting firm (referred to herein as the “independent auditor”) employed by the Company;
- Resolve any disagreements between management and the auditor regarding financial reporting;
- Pre-approve all auditing and non-audit services;
- Retain independent counsel, accountants, or others to advise the Committee or assist in the conduct of an investigation;
- Seek any information it requires from employees—all of whom are directed to cooperate with the Committee’s requests—or external parties;

- Meet with the Company’s officers, the independent auditor, or outside counsel, as necessary; and
- Oversee that management has established and maintained processes to assure compliance by the Company with all applicable laws, regulations and corporate policy.

The Committee intends to fulfill these responsibilities primarily by carrying out the activities enumerated in Section IV of this Charter.

III. MEMBERSHIP AND PROCEDURES

A. Membership and Appointment

The Committee shall be comprised of not fewer than three members of the Board, as shall be determined from time to time by the Board. The members of the Committee shall be elected by the Board, or the committee thereof responsible for nominations of directors, and shall hold office until their resignations or until their successors shall be duly elected and qualified.

All members of the Committee shall be “independent,” as such term is defined in Rule 10A-3(b)(1) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), in that each Committee member may not, other than in his or her capacity as a director or member of any committee of the Board, (i) accept any consulting, advisory, or other compensatory fee from the Company or any subsidiary thereof; or (ii) be an affiliated person of the Company or any subsidiary thereof. In addition, each member of the Committee shall not have participated in the preparation of the financial statements of the Company or a current subsidiary at any time during the past three years. All members of the Committee shall qualify as “independent directors” for purposes of the listing standards of The NASDAQ Stock Market, as such standards may be changed from time to time (the “Exchange Rules”); provided, that any non-independent director serving on the Committee pursuant to the “exceptional and limited circumstances” exception available under Exchange rules may not serve on the Committee for more than two (2) years; and provided, further, that such non-independent director may not be permitted to serve as chairperson of the Committee.

All members of the Committee shall be financially literate by being familiar with basic finance and accounting practices and able to read and understand fundamental financial statements at the time of their appointment to the Committee. Furthermore, at least one member of the Committee shall be designated as the “financial expert” with financial sophistication as defined by having experience in finance or accounting, professional certification in accounting, or any other comparable experience or background, such as being or having been a CEO or CFO or other senior officer with financial oversight responsibilities. The Company shall disclose, in its annual report, whether or not, and if not, the reasons therefor, the Committee includes at least one “audit committee financial expert,” as defined by Item 407(d)(5)(ii) of Regulation S-K under the Securities Act of 1933, as amended (the “Securities Act”).

B. Removal

The entire Committee or any individual Committee member may be removed without cause by the affirmative vote of a majority of the Board. Any Committee member may resign

effective upon giving oral or written notice to the Chairman of the Board, the Secretary of the Company, or the Board (unless the notice specifies a later time for the effectiveness of such resignation). Resignation or removal of a director from the Board, for whatever reason, shall automatically and without any further action constitute resignation or removal, as applicable, from the Committee. Any vacancy on the Committee, occurring for whatever reason, may be filled only by the Board.

C. Chairperson

A chairperson of the Committee (the “Chairperson”) may be designated by the Board. In the absence of such designation, the members of the Committee may designate the Chairperson by majority vote of the full Committee membership. The Chairperson shall determine the agenda for and the length of meetings and shall have unlimited access to management and to information relating to the Committee’s purposes. The Chairperson shall establish such other rules as may from time to time be necessary and proper for the conduct of the business of the Committee.

D. Meetings, Minutes and Reporting

The Committee shall meet at least four times per year, or more frequently as it determines is necessary or appropriate. All Committee members are expected to attend each meeting, in person or via tele- or video-conference. A majority of the members of the Committee shall constitute a quorum for purposes of holding a meeting and the Committee may act by a vote of a majority of the members present at such meeting. In lieu of a meeting, the Audit Committee may act by unanimous written consent. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials.

The Committee shall keep minutes of the proceedings of the Committee. In addition to the specific matters set forth herein requiring reports by the Committee to the full Board, the Committee shall report such other significant matters as it deems necessary concerning its activities to the full Board. The Committee may appoint a Secretary whose duties and responsibilities shall be to keep records of the proceedings of the Committee for the purposes of reporting Committee activities to the Board and to perform all other duties as may from time to time be assigned to him or her by the Committee, or otherwise at the direction of a Committee member. The Secretary need not be a member of the Committee or a director and shall have no membership or voting rights by virtue of the position.

As part of its job to foster open communication, the Committee should meet separately, at least annually, with management, the director of the internal auditing department and the independent auditor to discuss any matters that the Committee or each of these groups believe should be discussed privately. In addition, the Committee or at least its Chairperson should meet separately with the independent auditor, and management quarterly to review the Company’s financial statements in accordance with Section IV below.

E. Delegation

The Committee may, by resolution passed by a majority of the Committee members, designate one or more subcommittees, each subcommittee to consist of one or more members of the Committee. Any such subcommittee, to the extent provided in the resolutions of the

Committee and to the extent not limited by applicable law, shall have and may exercise all the powers and authority of the Committee. Each subcommittee shall have such name as may be determined from time to time by resolution adopted by the Committee. Each subcommittee shall keep regular minutes of its meetings and report the same to the Committee or the Board when required.

F. Authority to Retain Advisors

In the course of its duties, the Committee shall have the authority, at the Company's expense and without needing to seek approval for the retention of such advisors or consultants from the Board, to retain, oversee and terminate consultants, legal counsel, or other advisors, as the Committee deems advisable, including the sole authority to approve any such advisors' fees and other retention terms. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to any such consultants, legal counsel, or other advisors retained by the Committee, the independent auditor and any other accounting firm engaged to perform services for the Company, and for ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

IV. DUTIES AND RESPONSIBILITIES

The following shall be recurring duties and responsibilities of the Committee in carrying out its purposes. These duties and responsibilities are set forth below as a guide to the Committee, with the understanding that the Committee may alter or supplement them as appropriate under the circumstances, to the extent permitted by applicable law.

A. Document Review & Reporting Process

1. Review and reassess, at least annually, the adequacy of this Charter, make recommendations to the Board and request approval for proposed changes, as conditions dictate, to update this Charter, and ensure appropriate disclosure as may be required by law or regulation.
2. Audited Financial Statements
 - Review with management and the independent auditor the Company's annual financial statements and the Annual Report on Form 10-K prior to the filing of the Annual Report on Form 10-K or prior to the release of earnings, including (1) a discussion with the independent auditor of the matters required to be discussed under the applicable Statements of Auditing Standards ("SAS"), (2) all critical accounting policies and practices used or to be used by the Company, (3) the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" prior to the filing of the Company's Form 10-K and (4) any significant financial reporting issues that have arisen in connection with the preparation of such audited financial statements.

- Based on the Committee's review and discussions (1) with management of the audited financial statements, (2) with the independent auditors of the matters required to be discussed by SAS 61 (or any successor standard or rule thereto), and (3) with the independent auditors concerning the independent auditor's independence, the Committee shall make a recommendation to the Board as to whether the Company's audited financial statements should be included in the Company's Annual Report on Form 10-K for the prior fiscal year.
 - Review and discuss with the independent auditors the report required to be delivered by such auditors pursuant to Section 10A(k) of the Exchange Act
- 3. Review with management and the independent auditor each Quarterly Report on Form 10-Q (including the Management's Discussion and Analysis of Financial Condition and Results of Operations contained therein) prior to its filing or prior to the release of earnings, including a discussion with the independent auditor of the matters required to be discussed under SAS and any significant financial reporting issues that have arisen in connection with the preparation of the financial statements contained therein. The Chairperson of the Committee may represent the entire Committee for purposes of this review.
- 4. The Committee shall prepare the Audit Committee report required by Item 407(d) of Regulation S-K of the Exchange Act (or any successor provision) to be included in the Company's annual proxy statement.
- 5. Review with management and the independent auditor the effect of regulatory and accounting initiatives that may affect the Company, as well as the effect of any off-balance sheet structures and transactions on the Company's financial statements.
- 6. Regularly report to the Board about Committee activities, issues, and related recommendations.
- 7. Provide an open avenue of communication between the internal auditing department, the independent auditor, and the Board.
- 8. Report annually to the shareholders, describing the Committee's composition, responsibilities and any other information required by applicable rules and regulations, including approval of non-audit services.
- 9. Review any other reports the Company issues that relate to Committee responsibilities.
- 10. Perform other activities related to this Charter as requested by the Board.
- 11. Institute and oversee special investigations as needed.

B. Financial Reporting Process

1. In consultation with the independent auditor and the chief audit executive, review the integrity of the Company's financial reporting processes and the coordination of the internal audit function with the independent auditor. The Committee shall report regularly to and review with the full Board any issues that arise with respect to the quality or integrity of the Company's financial statements, compliance with legal or regulatory requirements, the performance and independence of the independent auditor, or the performance of the internal audit function.
2. Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the independent auditor, management, or the internal auditing department.
3. Ensure that there exist regular systems of reporting to the Committee by each of management, the independent auditor and the chief audit executive regarding any significant judgments made in management's preparation of the financial statements and any significant difficulties encountered during the course of the review or audit, including any restrictions on the scope of work or access to required information.
4. Regularly review any significant disagreements among management and the independent auditor or the internal auditing department in connection with the preparation of the financial statements.
5. Ensure and oversee timely reports from the independent auditor to the Committee of (i) all critical accounting policies and practices; (ii) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management officials of the Company, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor; and (iii) other material written communications between the independent auditor and the management of the Company, such as any management letter or schedule of unadjusted differences.

C. Financial Statements

1. Review significant accounting and reporting issues, including complex or unusual transactions (such as off-balance sheet structures, if any) and highly judgmental areas, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.
2. Review with management and the independent auditor the results of the audit, including any difficulties encountered and any significant changes in the audit plan.
3. Review the annual financial statements with management and the independent auditor before filing with regulators, and consider whether they are complete, consistent with information known to the Committee members, and reflect appropriate accounting principles.

4. Review other sections of the annual report and related regulatory filings before release and consider the accuracy and completeness of the information.
5. Review with management and the independent auditor all matters required to be communicated to the Committee under generally accepted auditing standards.
6. Understand how management and the internal auditing department prepare interim financial statements, and the degree of involvement of the independent auditor in the review process.
7. Review interim financial statements with management and the independent auditor before filing with regulators, and consider whether financial statements are complete and consistent with the information known to the Committee members.
8. Review and discuss with the independent auditors any audit problems or difficulties and management's response thereto. This review shall include (1) any difficulties encountered by the independent auditors in the course of performing their audit work, including any restrictions on the scope of their activities or their access to information, (2) any significant disagreements with management and (3) a discussion of the responsibilities, budget and staffing of the Company's internal audit function.

D. Internal Controls

1. Discuss with management and the independent auditor policies and programs with respect to risk management and risk assessment and inquire about risks or exposures facing the Company (including, without limitation, risks relating to cybersecurity).
2. Understand how the internal auditing department has implemented and maintains the Company's internal controls and understand the process for the independent auditor's review of the internal controls, and obtain reports on significant findings and recommendations regarding effectiveness of the controls, together with management's responses.
3. Consider and review with the independent auditor the effectiveness of the Company's internal control system, including information technology security and control.
4. Review management's annual internal control report which acknowledges management's responsibility for establishing and maintaining an adequate internal control structure and procedures for financial reporting; and contains an assessment of the effectiveness of the internal control structure.
5. Monitor the effectiveness of the Company's information system controls and security, including a periodic review of the Company's data privacy and cybersecurity and other information technology risks and controls.

6. Discuss with management and internal audit, if applicable, the Company's processes for assessing, identifying, and managing material risks from cybersecurity threats, including those associated with the Company's use of any third-party service provider.
7. Receive updates on, and monitor, the Company's prevention, detection, mitigation and remediation of cybersecurity incidents.

E. Internal Audit

1. Review with management and the chief audit executive the charter, plans, activities, staffing, and organizational structure of the internal audit function.
2. Ensure there are no unjustified restrictions or limitations, and review and concur in the appointment, replacement, or dismissal of the chief audit executive.
3. Review the effectiveness of the internal audit function, including compliance with The Institute of Internal Auditors' *Standards for the Professional Practice of Internal Auditing*.
4. On a regular basis, meet separately with the chief audit executive to discuss any matters that the Committee or the chief audit executive believes should be discussed privately.

F. Independent Auditor

1. Be directly responsible for the appointment, compensation, retention, oversight and termination of 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 (including the resolution of disagreements between management and such firm regarding financial reporting).
2. Inform each independent auditor engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company that such firm must report directly to the Committee.
3. Review the independent auditor's proposed scope and approach for the audit, including coordination with internal audit function, and the auditor's performance and qualifications.
4. Approve in advance all audit services and all permitted non-audit services, except where such services are determined to be *de minimis* under the Exchange Act. The Committee may delegate, to one or more designated members of the Committee, the authority to grant such pre-approvals. The decisions of any member to whom such authority is delegated shall be presented to the full Committee at each of its scheduled meetings.

5. Review and ensure the independence of the auditor by:
 - receiving from, and reviewing and discussing with, the auditor, prior to the initial engagement of the auditor and on a periodic basis, a formal written statement delineating all relationships between the auditor and the Company consistent with the applicable requirements of the Public Company Accounting Oversight Board, including, without limitation, the written disclosures and the letter required by PCAOB Rule 3526 and the written affirmation that the independent auditor is, as of the date of the affirmation, independent in compliance with PCAOB Rule 3520;
 - reviewing, and actively discussing with the Board, if necessary, and the auditor, on a periodic basis, any disclosed relationships or services, including non-audit services, between the auditor and the Company or any other disclosed relationships or services that may impact the objectivity and independence of the auditor;
 - recommending, if necessary, that the Board take appropriate action to satisfy itself of the auditor's independence; and
 - ensuring that the lead or coordinating audit partner having primary responsibility for the audit, or the audit partner responsible for reviewing the audit does not perform audit services for the Company for more than five consecutive fiscal years.
6. Set clear policies for the hiring by the Company of employees or former employees of the Company's independent auditor.
7. On a regular basis, meet with the independent auditor without management present to discuss any matters that the Committee or independent auditor believes should be discussed privately.

G. Approval of Related Person Transactions

1. The Committee shall conduct an appropriate review of all related person transactions of the Company for potential conflict of interest situations on an ongoing basis, and the approval of the Committee shall be required for all such transactions.
2. The Committee shall adopt any further policies and procedures relating to the approval of related person transactions that it deems necessary or advisable from time to time.

H. Legal Compliance/General

1. Review, with the Company's counsel, any legal or regulatory matter that could have a significant impact on the Company's financial statements.

2. Review and approve the Company's investment policies.
3. Review the adequacy of the Company's insurance coverage.
4. Review the status of any material tax audits and proceedings, the Company's tax strategy and other material tax matters.
5. Maintain minutes or other records of meetings and activities of the Committee.
6. When deemed necessary by the members of the Committee, retain independent legal, accounting or other advisors or consultants to advise and assist the Committee in carrying out its duties, without needing to seek approval for the retention of such advisors or consultants from the Board. The Committee shall determine the appropriate compensation for any advisors retained by the Committee. The Committee may request any officer or employee of the Company or the Company's outside counsel or independent auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.
7. 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 submission by employees of the Company of concerns regarding questionable accounting or auditing matters, whether through the whistleblower hotline or other reporting channels. Ensure such procedures maintain the confidentiality and anonymity of persons reporting violations or suspected violations and ensure that the Company does not take retaliatory actions against those reporting.
8. Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of noncompliance.
9. Review the findings of any examinations by regulatory agencies, and any auditor observations.
10. Review the process for communicating the code of conduct to the Company's personnel, and for monitoring compliance therewith.
11. Obtain regular updates from management and the Company's legal counsel regarding compliance matters.
12. Annually review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval.
13. Annually evaluate its own performance.
14. Review with management the policies and procedures with respect to officers' expense accounts and perquisites.

15. Conduct an appropriate review of all related party transactions for potential conflict of interest situations on an ongoing basis, and the approval of the Committee shall be required for all such transactions. The Committee may establish such policies and procedures as it deems appropriate to facilitate such review.
16. Perform any other activities consistent with this Charter, the Company's articles of association, and governing law, as the Committee or the Board deems necessary or appropriate.

Notwithstanding the responsibilities and powers of the Committee set forth in this Charter, the Committee does not have the responsibility of planning or conducting audits of the Company's financial statements or determining whether the Company's financial statements are complete, accurate and in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"). Such responsibilities are the duty of management and, to the extent of the independent auditor's audit responsibilities, the independent auditors.