

**NEXTCURE, INC.**  
**AUDIT COMMITTEE CHARTER**

*Effective May 8, 2019*

**I. PURPOSE**

The Audit Committee (the “Committee”) shall report to and assist the Board of Directors (the “Board”) of NextCure, Inc. (the “Company”). The purpose of the Committee is to provide oversight of the Company’s accounting, financial reporting, internal audit processes and the external audit of the Company’s financial statements, as well as such other matters as directed by the Board or this Charter.

**II. MEMBERSHIP OF THE COMMITTEE**

The Committee shall be comprised of three or more non-executive members of the Board, each of whom shall be “independent directors” under the rules, regulations and standards of the Nasdaq Stock Market LLC (“Nasdaq”); provided, however, that the Company may avail itself of any phase-in periods permitted under applicable rules, regulations and standards. In addition, each member of the Committee shall meet the requirements of Section 10A(m)-3 of the Securities Exchange Act of 1934 and all rules and requirements of the Securities and Exchange Commission (the “SEC”); provided, however, that the Company may avail itself of any phase-in periods permitted under applicable rules, regulations and standards.

No member of the Committee shall have participated in the preparation of the financial statements of the Company’s or any subsidiaries’ financial statements at any time during the last three years. No member of the Committee shall accept any consulting, advisory or other compensatory fee from the Company other than for service on the Board and they must not be an affiliated person of the Company. No member of the Committee shall simultaneously serve on the audit committee of more than three public companies, including the Company’s, unless the Board has determined that such service would not impair the ability of the member to effectively serve on the Committee. The Chairperson of the Committee shall not serve as the Chairperson of the audit committee of any other public company.

All members of the Committee shall be financially literate and have the ability to read and understand fundamental financial statements, including a balance sheet, income statement and cash flow statement. At least one member of the Committee shall have past employment experience in finance or accounting, requisite professional certification in accounting or other comparable experience or background that leads to financial sophistication. At least one member shall be an “audit committee financial expert” as defined by the SEC in Item 407(d)(5)(ii) of Regulation S-K. A person who satisfies this definition of audit committee financial expert will also be presumed to have financial sophistication.

Members shall be appointed and may be removed, with or without cause, by the Board. The Board shall appoint one of the members of the Committee as Chairperson. If the Board does not appoint a Chairperson, the Committee members may designate a Chairperson by their majority vote. The Chairperson shall, in consultation with the Committee members, determine

the schedule and frequency of meetings of the Committee, chair all meetings of the Committee and perform such other activities as from time to time are requested by the other Committee members or as circumstances dictate.

The Committee may form and delegate authority to subcommittees when appropriate. Subject to applicable law and Nasdaq rules, the Chairperson may represent the entire Committee, as a subcommittee, with respect to functions of the Committee undertaken between meetings. Any actions of a subcommittee shall be presented to the full Committee at its next scheduled meeting.

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

The Committee shall meet as often as it determines advisable to fulfill its duties and responsibilities, but no less than three times each year. The Committee is governed by the same rules regarding meetings (including meetings in person or by telephone or other similar communications equipment), action without meetings, notice, waiver of notice and quorum and voting requirements as are applicable to the Board. The Committee shall report regularly to the Board with respect to its activities and make recommendations to the Board as appropriate. The Committee shall maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board. The Committee may, in its discretion, invite to any meeting other directors of the Company, members of the Company's management or any other person, including, without limitation, outside counsel or consultants, whose presence the Committee believes to be desirable and appropriate.

The Committee shall also meet periodically with management and the independent auditor in separate executive sessions to discuss any matters that the Committee or each of these groups believe should be discussed privately. In the discretion of the Chairperson, but at least once per year, the Committee shall also meet in executive session.

### **IV. COMMITTEE AUTHORITY AND RESPONSIBILITIES**

The Company's management is responsible for preparing the Company's financial statements and the independent auditor is responsible for auditing these financial statements. The Committee is responsible for assisting the Board in overseeing the conduct of these activities by the Company's management and the independent auditor, and the integrity of the Company's financial statements. The financial management and the independent auditor of the Company have more time, knowledge and more detailed information on the Company than do Committee members. Consequently, in carrying out its oversight responsibilities, the Committee is not providing any expert or special assurance as to the Company's financial statements or any professional certification as to the independent auditor's work. The Committee is also responsible for preparing the Report of the Audit Committee that SEC rules require be included in the Company's annual proxy statement.

In carrying out its oversight responsibilities, the Committee shall perform the following functions:

## **A. Oversight of Independent Auditor**

1. Have the ultimate authority and responsibility to appoint, retain, compensate, oversee, evaluate and, when appropriate, terminate the independent auditor, including resolving disagreements between management and the independent auditor regarding financial reporting and overseeing the qualifications, independence and performance of the independent auditor.

2. At least annually, obtain and review a report by the independent auditor describing: (i) the independent auditor's internal quality-control procedures; (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the independent auditor, the Public Company Accounting Oversight Board ("PCAOB") 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 independent auditor, and any steps taken to deal with any such issues; and (iii) all relationships between the independent auditor and the Company and its subsidiaries.

3. Actively discuss with the independent auditor the annual report by the independent auditor described above and any disclosed relationships or services that may impact the objectivity and independence of the auditor and take, or recommend that the full Board take, appropriate action in response to this report to satisfy itself of the auditor's independence.

4. Evaluate annually the qualifications, performance and independence of the independent auditor, including the performance of the lead audit partner, considering whether the independent auditor's quality controls are adequate, whether the provision of non-audit services is compatible with maintaining the auditor's independence and whether the independent auditor is in compliance with the audit partner rules (including rotation requirements) of the SEC and PCAOB.

5. Pre-approve all audited and permitted non-audit and tax services that may be provided by the independent auditor or other registered public accounting firm (unless otherwise determined by the Committee, the Chairperson of the Committee shall have the authority to pre-approve all such services between meetings and shall present his/her decisions to the full Committee at the next scheduled meeting).

6. Review and approve the original proposed scope and timing of the annual independent audit of the Company's financial statements and the associated engagement fees, as well as any significant variations in the actual scope of the independent audit and the associated engagement fees.

7. Meet with the independent auditor prior to initiation of the audit to discuss the planning and staffing of the audit, including the impact of applicable rotation requirements and other independence rules on the staffing of the audit.

8. Set clear hiring policies for employees or former employees of the independent auditor, which shall provide that the Company will not hire any employees or former employees of the independent auditors without first consulting with both the Chair and

the Company's General Counsel to ensure that such hires will not compromise the independence of the independent auditors under the SEC's rules and regulations.

9. Review with the independent auditor: (i) the critical accounting policies and practices used by the Company, alternative treatments of financial information within generally accepted accounting principles ("GAAP") that the independent auditor has discussed with management, the ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the independent auditor; (ii) the overall audit strategy; (iii) any significant risks identified during the auditors' risk assessment procedures; and (iv) when completed, the results, including significant findings, of the annual audit.

10. Receive and review certain disclosure, documentation and discussion of non-prohibited tax services by the independent auditor based on PCAOB Rule 3524, Audit Committee Pre-Approval of Certain Tax Services or any successor rule.

11. Review with the independent auditor any difficulties the auditor encountered in the course of the audit work, including restrictions on the scope of work or access to requested information, and any significant disagreements with management.

## **B. Oversight of Management's Conduct of the Company's Financial Reporting Process**

1. *Annual Financial Statement Review and Approval.* Review and discuss with management and the independent auditor, prior to the filing thereof, the Company's annual financial statements to be included in the Company's Annual Reports on Form 10-K, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations;" review and consider with the independent auditor the matters required to be discussed by the applicable auditing standards issued by the PCAOB (the "Auditing Standards"); and based on these discussions, advise the Board whether it recommends that the Company's annual financial statements be included in the Company's Annual Reports on Form 10-K.

2. *Quarterly Financial Statement Review.* Review and discuss with management and the independent auditor, prior to the filing thereof, the Company's interim financial statements to be included in the Company's Quarterly Reports on Form 10-Q, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the matters required to be discussed by the Auditing Standards.

3. *Financial Reporting Practices.* Review (i) changes in the Company's accounting policies and practices and significant judgments that may affect the financial results; (ii) the nature of any unusual or significant commitments or contingent liabilities together with the underlying assumptions and estimates of management; and (iii) the effect of changes on accounting standards that may materially affect the Company's financial reporting practices.

4. *Financial Information Disclosure.* Discuss generally, if applicable, earnings press releases, including the use and disclosure of non-GAAP financial measures, and

the types of financial information and earnings guidance that are given to analysts and rating agencies.

5. *Internal Controls.* Review with management its assessment of the effectiveness and adequacy of the Company's internal control structure and procedures for financial reporting ("Internal Controls") and review with the independent auditor the attestation to and report on the assessment made by management, if any, and consider whether any changes to the Internal Controls are appropriate.

6. *Risk Assessment.* Oversee and periodically, but not less than annually, discuss with management the Company's major risk exposures in the Committee's area of responsibility, including financial risk, and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies and procedures. This shall include but not be limited to accounting matters, liquidity and credit risks, corporate tax positions, insurance coverage, cash investment strategy and results, risks associated with information technology, including data security, and the actions management has taken to limit, monitor or control such exposures.

7. *Auditing Matters.* Review and discuss with the independent auditor any other matters required to be discussed by the Auditing Standards.

### **C. Oversight of Related Party Transactions**

1. Implement and administer standards to be applied by the Board in making its determination as to related party transactions that may present actual, potential or perceived conflicts of interest or may raise questions as to whether such transactions are consistent with the best interests of the Company and its stockholders.

2. Review and approve or ratify any related party transactions on an ongoing basis in accordance with the Company's Related Party Transaction Policy.

3. Inform the independent auditor of the Committee's understanding of the Company's relationships and transactions with related persons that are significant to the Company and discuss with the independent auditor its evaluation of the Company's identification of, accounting for and disclosure of the Company's relationships and transactions with related persons, including significant matters arising from the audit of related person transactions.

### **D. Oversight of the Company's Compliance with Policies and Procedures Addressing Legal and Ethical Concerns**

1. Review and monitor, as appropriate, litigation or other legal matters that could have a significant impact on the Company's financial results, and significant findings of any examination by regulatory authorities or agencies, in the areas of securities, accounting or tax, such as the SEC or the Internal Revenue Service.

2. Review with management the Company's disclosure controls and procedures and management's conclusions about the efficacy of such disclosure control and

procedures, including any deficiencies in, or material non-compliance with, such controls and procedures.

3. Discuss any comments or recommendations of the independent auditor outlined in its annual management letter or internal control reports, and if appropriate, approve and oversee schedule for implementing any changes.

4. Establish procedures for the receipt, retention and treatment of complaints received regarding accounting, internal accounting controls and auditing matters, the prompt internal reporting of violations of the Code of Business Conduct and Ethics (the “Code”) and confidential, anonymous submission by the Company’s employees of concerns regarding questionable accounting or auditing matters, and any changes therein. Oversee the review of any such complaints and submissions that have been received, including the current status and the resolution if one has been reached. Adopt, as necessary, appropriate remedial measures or actions with respect to such complaints or concerns.

5. Annually review the Code and recommend any changes to the Board to consider, discuss, and as appropriate, recommend that the Board grant requested waivers from the Code by the Company’s directors and executive officers.

6. Prepare and approve the audit committee report required by the SEC to be included in the Company’s annual proxy statement.

#### **E. Committee Performance**

1. Conduct an annual evaluation of its performance in fulfilling its duties and responsibilities, including in compliance with this Charter.

2. At least annually, review and assess the adequacy of this Charter and recommend any proposed modifications to the Board.

#### **V. Resources; Access to Records**

The Committee has sole authority to select, retain and terminate any consultants, independent legal counsel or other advisors, including the sole authority to approve their fees and other retention terms. The fees, expenses or compensation owed to any person retained by the Committee, including the independent auditor, and any ordinary administrative expenses of the Committee incurred in carrying out its duties and responsibilities shall be borne by the Company.