

**Modular Medical, Inc.**  
**Audit Committee Charter**  
**Adopted by the Board of Directors as of October 16, 2020**

**1. Purpose**

This Audit Committee Charter (this “Charter”) specifies the scope of the responsibilities of the Audit Committee (the “Committee”) of the board of directors (the “Board”) of Modular Medical, Inc. (the “Company”) and the manner in which those responsibilities shall be performed, including the Committee’s structure, processes, rights and membership requirements. The operation of the Committee shall be subject to the bylaws of the Company as in effect from time to time. The approval of this Charter shall be construed as a delegation of authority to the Committee with respect to the responsibilities set forth herein. The Committee may from time to time delegate duties or responsibilities to subcommittees or to one or more members of the Committee.

The purpose of the Committee of the Board is to assist the Board in fulfilling its oversight responsibility relating to:

- the Company’s financial statements and financial reporting processes;
- the Company’s systems of internal controls regarding finance and accounting;
- the Company’s compliance with legal and regulatory requirements; and
- the qualifications, independence and performance of the Company’s independent registered public accounting firm (the “Auditors”).

**2. Composition**

Each member of the Committee shall be a director of the Company, be appointed by the Board, and serve until such member’s successor is duly appointed or until such member’s resignation or removal by the Board. The Committee shall consist of at least one director whom shall:

- be free of any relationship which, in the opinion of the Board, may interfere with the member’s exercise of independence from management and the Company;
- be “financially literate,” as such qualification is interpreted by the Board in its discretion; and
- meet the independence, expertise and other qualifications/requirements for members of an audit committee, as set forth in Section 10A(m)(3) of the Exchange Act, the applicable rules and regulations of the Securities and Exchange Commission (the “SEC”) and the listing and related rules of the stock exchange or quotation system upon which the Company’s common stock may be listed from time to time (to the extent such stock exchange or quotation system provides such a definition), in each case in effect from time to time.

In addition, at least one member of the Committee shall be an “audit committee financial expert” within the meaning of the rules of Section 407 of the Sarbanes-Oxley Act of 2002.

The Board reserves all authority permitted under the rules of the SEC and the relevant listing authority in connection with any matter referred to in this Charter, including, but not limited to, the determination of independence of Committee members.

**3. Resources and Authority**

The Committee and each of its members may communicate directly and/or privately with the Company's directors, officers, employees, consultants, agents, internal auditors, Auditors, attorneys-in-fact, counsel (including inside and outside counsel) and advisors, and any and all third parties in the performance of the Committee's functions.

The Committee may cause an investigation to be made into any matter within the scope of its responsibilities under this Charter as the Committee deems necessary or as otherwise requested by the Board. The Committee may require Company personnel to assist in any such investigation, and the Committee may engage independent resources to assist in such investigations as it deems necessary. The Committee may, in its sole discretion, retain or obtain the advice of legal counsel, accounting or other advisors as appropriate, other than in-house legal counsel, to perform its duties hereunder and to determine the terms, costs and fees for such engagements, subject to compliance with the rules of the stock exchange or quotation system upon which the Company's common stock may be listed, if any. The Committee shall be directly responsible for the appointment, determination of compensation and oversight of the work of any consultant, legal counsel and other advisor retained by the Committee. The fees and costs of any consultant or advisor engaged by the Committee to assist it in performing any duties hereunder shall be borne by the Company. The Committee shall also have authority to incur, at the expense of the Company, ordinary administrative expenses, including expenditures for external resources, that, as determined by the Committee, are necessary or appropriate in carrying out its duties. The Committee shall have authority to request that any of the Company's personnel, counsel, accountants or investment bankers, or any other consultant or advisor to the Company, attend any meeting of the Committee or meet with any member of the Committee or any of its special, outside legal, accounting or other advisors or consultants. The Committee shall have access to all books, records, facilities and personnel of the Company, as deemed necessary or appropriate by any member of the Committee to discharge the member's duties, responsibilities and/or obligations hereunder.

#### **4. Responsibilities**

Notwithstanding the Committee's purposes set forth above, the Board recognizes that the Company's management is responsible for preparing the Company's financial statements and implementing internal controls and the Auditors are responsible for auditing those financial statements. In fulfilling these responsibilities, management and the Auditors are ultimately accountable to the Committee and the Board.

Nothing in this Charter should be construed to imply that the Committee is required to provide or does provide any assurance or certification as to the Company's financial statements or as to its compliance with laws, rules or regulations. In order to fulfill its oversight responsibility, the Committee must be capable of conducting free and open discussions with management, internal and independent auditors, employees and others regarding the quality of the financial statements and the system of internal controls.

The specific duties of the Committee shall be:

##### Auditors

1. Select and evaluate the Company's Auditors, review their performance and, in the sole judgment of the Committee, approve the appointment or replacement of the Auditors, and the fee arrangements in connection with such appointments.

2. Affirm the Auditor's independence by:
  - a) requiring that the Auditors annually submit to the Committee a formal written statement delineating all relationships between the Auditors and the Company;
  - b) actively engaging in a dialogue with the Auditors with respect to any disclosed relationships or services that may impact their objectivity and independence, including the matters required by Independence Standards Board Standard No. 1, *Independence Discussions with Audit Committees*, as it may be modified or supplemented;
  - c) reviewing and discussing with the Board any relationships between the Auditors and the Company, or any other relationship, that may adversely affect independence; and, reviewing and approving any significant management consulting engagements proposed to be undertaken by such auditors on behalf of the Company; and
  - d) recommending that the Board take appropriate action in response to the Auditors' report to satisfy itself of their independence.
3. Annually require the Auditors to confirm in writing their understanding of the fact that they are ultimately accountable to the Board of the Company and the SEC.
4. Annually review the Auditors' proposed audit plan and approach, as well as staffing and timing of the audit and related matters.
5. Pre-approve all auditing services and non-auditing services (other than non-audit services falling within the *de minimus* exception set forth in Section 10A(i)(1)(B) of the Exchange Act and non-audit services that the Auditors are prohibited from providing to the Company); in accordance with the following guidelines:
  - a) pre-approval policies and procedures must be detailed as to the particular services provided;
  - b) the Committee must be informed about each service; and
  - c) the Committee may delegate pre-approval authority to one or more of its members, who shall report to the full committee, but shall not delegate its pre-approval authority to management.
6. Obtain from management, review and approve a description of issues and responses whenever a second opinion is proposed by management to be sought from another outside accounting firm.
7. Take, and require the Company's senior management to take, timely and appropriate remedial actions in response to any report or information submitted by the Auditors pursuant to Section 10A(b) of the Exchange Act.

#### Financial Statements

8. Conduct a post-audit, pre-issuance review of the Company's annual financial statements, the Auditor's opinion thereon, and any significant difficulties or disagreements with management encountered during the course of the audit.

9. Discuss the annual financial statements with the appropriate officers and/or employees of the Company and with the Auditors.
10. Discuss with the Auditors the matters required to be discussed by relevant auditing standards, including the quality, clarity and reasonableness, and not just the acceptability, of the accounting principles, significant judgments, and underlying estimates and assumptions used in the statements, as well as additional matters reported by the independent auditors pursuant to Section 10A(k) of the Exchange Act.
11. When appropriate, recommend to the Board that the annual financial statements be included in the Company's annual report on Form 10-K.
12. Prepare a report to the stockholders of the Company in each proxy statement, as required by the rules of the SEC.
13. Review with the Company's financial management and the Auditors any unrecorded adjustments to the Company's quarterly and annual financial statements.
14. With regard to quarterly reports to the SEC on Form 10-Q, the chairperson of the Committee and/or any member or members of the Committee whom he or she designates, shall review with management and the independent auditors the financial statements to be included in such filing prior to filing with the Commission.
15. Review, prior to publication or filing, and approve such other Company financial information, including appropriate regulatory filings and releases that include financial information, as the Committee deems desirable.

#### Internal Accounting and Control Functions

16. Annually review the quality of internal accounting and financial controls, the Auditor's report or opinion thereon and any recommendations the Auditor may have for improving or changing the Company's internal controls, as well as management's letter in response thereto, and any other matters required to be discussed under AU-C Section 260, *The Auditor's Communication With Those Charged With Governance*, as it may be modified or supplemented
17. Review with management the Company's major financial risk exposures and the steps management has taken and proposes to take to monitor and control such exposures.
18. Review proposed future internal audit plans, if any, proposed by management.
19. 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 regarding questionable accounting or auditing matters.

#### Compliance and Governance

20. Review and approve all business transactions between the Company and a director, officer, affiliate or other related party, as determined by the Committee.

### General

23. At least annually, review this Charter and propose to the Board necessary or appropriate revisions.
24. At least annually, the Committee shall hold separate, private meetings without other members of management present, with each of the Company's chief financial officer and the Auditors; and, each such person shall have free and direct access to the Committee and any of its members.
25. Periodically report its activities, concerns, conclusions and recommendations to the Board.

### **5. Meetings**

The Committee shall hold meetings as it deems necessary in its judgment, but at least four times per year, and shall report its activities to the Board. Attendance of a Committee meeting may be in person, by telephone or other form of electronic communication in which all of the members are able to hear and communicate with each other. Each Committee meeting shall be at such time and place as determined by the Committee. A majority of all members of the Committee shall constitute a quorum, and all actions taken by the Committee at a meeting shall require the affirmative vote of a majority of the members present at any meeting at which there is a quorum of the members of the Committee.

The Committee may also act by unanimous written consent of the members in lieu of a meeting.

The Committee chairperson shall preside at each Committee meeting. If the Committee chairperson is not present at a Committee meeting, the Committee members present at that meeting shall designate one of its members as the acting chairperson of such meeting.

The Committee shall take and maintain written minutes of each meeting, which minutes shall be subsequently approved by the Committee. Committee minutes will be filed with the minutes of the meetings of the Board.