

**PALVELLA THERAPEUTICS, INC.**  
**AUDIT COMMITTEE CHARTER**

*Effective February 5, 2025*

**I. PURPOSE**

The Audit Committee (the “Committee”) shall report to and assist the Board of Directors (the “Board”) of Palvella Therapeutics, Inc., a Nevada corporation (the “Company”). The purpose of the Committee is to provide oversight of the financial management, independent auditors and financial reporting procedures of the Company. The Committee shall also be responsible for preparing the report required by the Securities and Exchange Commission (the “SEC”) rules to be included in the Company’s proxy statement for the annual meeting of stockholders, as well as such other matters as directed by the Board or this Audit Committee Charter (this “Charter”).

**II. MEMBERSHIP**

The Committee shall be comprised of at least three (3) members of the Board. The Board shall have the sole authority to appoint members of the Committee. The members must be “independent,” as that term is defined in the rules and regulations of the SEC and in the rules of The Nasdaq Stock Market LLC (“Nasdaq”). Members must have no material relationship to the Company, including as an employee of the Company, and be otherwise free of any relationship that, in the judgment of the Board, would interfere with their exercise of independent judgment as a Committee member. Members must also satisfy any other requirements imposed by applicable law, regulations or rules, including rules and regulations promulgated by the SEC, subject to any applicable exemptions and transition provisions.

All members shall, in the judgment of the Board, be able to read and understand fundamental financial statements, including the Company’s balance sheet, income statement, and cash flow statement, and at least one member of the Committee shall be an “audit committee financial expert” in accordance with the rules and regulations of the SEC.

Committee members may be removed, with or without cause, by the Board in its sole discretion. A member of the Committee shall be automatically removed if the member (1) is no longer a director of the Company, (2) is determined by the Board to no longer be “independent,” as that term is defined in the rules and regulations of the SEC and in the rules of Nasdaq, subject to exceptional and limited circumstances in accordance with such rules and in the Board’s sole discretion, or (3) is ineligible because of other rules or requirements.

The Board shall designate one member to act as the Chair of the Committee (the “Chair”). The Chair shall 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. All members of the Committee, including the Chair, shall serve on the Committee until their respective successors are elected and qualified or their respective earlier death, resignation or removal. The Committee may form and delegate authority to subcommittees when appropriate, and shall periodically review such delegations.

### **III. MEETINGS**

The Committee shall meet as often as it determines is necessary to carry out its responsibilities under this Charter, and in no event less than four times each year. The Committee shall report regularly to the Board with respect to its activities and make recommendations to the Board as appropriate. The Committee is governed by the same rules regarding the conduct of meetings (including meetings in person or by telephone or other similar communications equipment), action by unanimous written consent in lieu of a meeting, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board, as set forth in the certificate of incorporation and bylaws of the Company. The Committee shall maintain written minutes of its meetings, and shall cause such minutes to be filed with the records of the Company. 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 may exclude anyone with a personal interest in the matters under discussion. At the discretion of the Chair of the Committee, but at least once per year, the Committee shall meet separately, in executive session with representatives of the Company's independent auditor, without management present.

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

The Company's management is responsible for preparing the Company's financial statements, for the appropriateness of the accounting principles and reporting policies that are used by the Company and for establishing and maintaining adequate internal control over financial reporting. The Company's independent auditor is responsible for auditing these financial statements and for reviewing the Company's unaudited interim financial statements. The Committee is responsible for 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 Committee is also responsible for preparing the report of the Committee that SEC rules require be included in the Company's annual proxy statement.

It is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles ("GAAP") and other applicable rules and regulations. Furthermore, while the Committee is responsible for reviewing the Company's policies and practices with respect to risk assessment and management, it is the responsibility of the Chief Executive Officer and senior management to determine the appropriate level of the Company's exposure to risk.

The Committee shall have the following authority and responsibilities:

#### **Oversight of the Company's Independent Auditor**

1. Undertake direct responsibility for appointing, compensating, retaining, overseeing and, when appropriate, termination of the Company's independent auditor, including resolving disagreements between management and the independent auditor. The independent auditor will report directly to the Audit Committee. The

Audit Committee will have sole authority to approve the hiring and discharging of the independent auditor, all audit engagement fees and terms and all permissible non-audit engagements with the independent auditor. The Audit Committee will also appoint, retain, compensate, oversee and, where appropriate, replace any other registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company.

2. Obtain and review annually, in addition to any other reports as may be required from the independent auditor from time to time, a report from 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, peer reviews or Public Company Accounting Oversight Board ("PCAOB") review or inspection of the independent auditor, or by any inquiry or investigation by governmental or professional authorities within the preceding five (5) years regarding one or more independent audits carried out by the firm, and any steps taken to deal with such issues, and (iii) all relationships between the independent auditor and the Company or any of its subsidiaries; and to actively discuss with the independent auditor this report and any disclosed relationships or services that may impact the objectivity and independence of the auditor and to take, or recommend that the Board take, appropriate action to oversee the independence of the independent auditor.
3. Evaluate annually the independent auditor's qualifications, performance and independence, considering:
  - (i) whether the independent auditor's quality controls are adequate;
  - (ii) whether the lead audit partner and the other senior members of the independent auditor team(s) are adequate;
  - (iii) whether the provision of non-audit services is compatible with maintaining the auditor's independence;
  - (iv) whether the independent auditor is in compliance with the audit partner rules (including rotation requirements) of the SEC and PCAOB; and
  - (v) the independent auditor's performance, taking into consideration the opinion of management and the Company personnel primarily responsible for the design and implementation of the internal audit function.
4. Pre-approve all audit and permitted non-audit and tax services that may be provided by the Company's independent auditor or other registered public accounting firm (including by delegating this pre-approval authority to any one or more members who shall present their decisions to the full Committee at the next scheduled meeting).
5. Review and discuss with the independent auditor: (a) the firm's responsibilities under GAAP and the responsibilities of management in the audit process; (b) the

scope, timing and results of the annual audit of the Company's financial statements, including the associated engagement fees, as well as any significant variations in the actual scope of the independent audit and associated engagement fees; (c) any problems or difficulties that the firm encountered in the course of the audit work, and management's response; and (d) any questions, comments or suggestions the firm may have relating to the internal controls and accounting practices and procedures of the Company.

6. Establish policies for the hiring of employees or former employees of the independent auditor.

### **Review of Financial Reporting, Policies and Processes**

1. Review the scope and timing of the annual audit of the Company's financial statements.
2. Discuss with management and the independent auditor the audited financial statements to be included in the Company's annual report on Form 10-K, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," and 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 audited financial statements be included in the Company's annual report on Form 10-K.
3. Discuss with management and the independent auditor, prior to the filing thereof, the Company's interim financial results 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 applicable Auditing Standards.
4. Review and discuss the Company's earnings press releases prior to public dissemination, the type and presentation of information included in the Company's earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies, paying particular attention to the use of non-GAAP financial information.
5. 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.
6. Review with the independent auditor any difficulties the auditor encountered in the course of their audit work, including restrictions on the scope of work or access to requested information, and any significant disagreements with management.

7. Review with the independent auditor the critical accounting policies and practices used by the Company, alternative treatments of financial information within 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.
8. 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. The review of Internal Controls shall include whether there are any significant deficiencies and material weaknesses in the design or operation of the Internal Controls which are reasonably likely to affect the Company's ability to record, process, summarize and report financial information and any fraud involving management or other employees with a significant role in the Internal Controls. The Committee shall also review any special audit steps adopted in light of material control deficiencies.
9. Review the effects of regulatory initiatives in the areas of securities, accounting or tax, and accounting initiatives, as well as off-balance sheet transaction and structures, on the financial statements of the Company.
10. Prepare and approve the Committee's report required to be included in the Company's annual proxy statement.

#### **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, approve, ratify or prohibit, and monitor any related party transactions based on the standards set forth in the Company's Related Party Transaction Policy and in accordance with applicable law and SEC and Nasdaq rules and regulations.

#### **Risk Management, Legal Compliance and Ethics**

1. Review and monitor, as appropriate: (i) litigation or other legal matters that could have a significant impact on the Company's financial results and (ii) significant findings of any examination by regulatory authorities or agencies, in the areas of securities, accounting or tax, such as the SEC or the U.S. Internal Revenue Service.
2. Review with management the Company's disclosure controls and procedures and management's conclusions about the efficacy of such disclosure controls and procedures, including any deficiencies in, or material non-compliance with, such controls and procedures.

3. Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, which shall include procedures for the confidential and anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters. Review with management and the independent auditor any correspondence with legal, accounting or tax regulators or government agencies and any employee complaints or published reports which raise material issues regarding the Company's financial statements. Adopt, as necessary, appropriate remedial measures or actions with respect to such complaints or concerns.
4. Discuss the Company's policies with respect to risk assessment and risk management, including guidelines and policies to govern the process by which the Company's exposure to risk is handled, and oversee management of the Company's financial and cybersecurity risks. The Committee also shall periodically discuss the Company's major financial risk exposures, the adequacy and effectiveness of the Company's information security policies and practices and the internal controls regarding such information security, and the steps management has taken to monitor and control such exposures, including insurance coverage and tax compliance.

#### **Other Areas of Responsibility and Authority**

1. Conduct an annual self-evaluation of its performance in fulfilling its duties and responsibilities under this Charter.
2. At least annually, review and assess the adequacy of this Charter and recommend any proposed changes to the Board for approval.
3. The Committee may form and delegate authority to subcommittees when appropriate.

#### **V. RESOURCES AND AUTHORITY OF THE COMMITTEE**

The Committee shall be authorized to access such internal and external resources as the Committee deems necessary or appropriate to fulfill its defined responsibilities, including engagement of independent counsel, consultants and other professional advisors, in each case at the expense of the Company. The Committee shall have sole authority to approve fees, costs, compensation and other terms of engagement of such outside resources and advisors, all of which will be promptly paid by the Company. The Committee shall also have the authority to pay, at the expense of the Company, ordinary administrative expenses that, as determined by the Committee, are necessary or appropriate in carrying out its duties. The Committee shall have full access to all books, records, facilities and personnel of the Company as deemed necessary or appropriate by any member of the Committee to discharge his or her responsibilities hereunder. The Committee shall have the authority to require that any of the Company's personnel, counsel 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 legal, accounting or other advisors and consultants.

The Committee is empowered to investigate any matter brought to its attention and to retain counsel, auditors or other experts as required and to recommend to the Board resolution of any matter brought to its attention. The Chair shall have the delegated authority to act on behalf of the Committee in connection with (i) approval of the retention of outside service providers and advisors (including negotiation and execution of their engagement letters), (ii) preapproval of audit or non-audit services, (iii) approval of payment of expenses incurred by the Committee described in the previous paragraph, and (iv) as may otherwise be determined by the Committee.

#### **VI. ADDITIONAL ACTIVITIES**

The Committee shall perform any other activities required by applicable law, rules or regulations, including the rules and regulations of the SEC and the Nasdaq rules, and take such other actions and perform and carry out any other responsibilities and duties delegated to it by the Board or as the Committee deems necessary or appropriate consistent with its purpose.

#### **VII. LIMITATIONS**

All powers of the Committee are subject to the certificate of incorporation or bylaws of the Company and to applicable law. To the extent that any provision or section of this Charter may be inconsistent with any article, provision or section of the certificate of incorporation or bylaws of the Company, the certificate of incorporation or bylaws of the Company, as appropriate, shall control.