

**AUDIT COMMITTEE OF  
THE BOARD OF DIRECTORS OF  
MACROGENICS, INC.**

**Charter**

**PURPOSE**

The following charter (the “Charter”) governs the operations of the Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of MacroGenics, Inc. (the “Company”).

The Committee oversees the accounting and financial reporting processes of the Company and audits of the Company’s financial statements. The primary function of the Committee is to provide assistance to the Board in fulfilling its responsibilities relating to corporate accounting and auditing, reporting practices of the Company, the quality and integrity of the financial reports of the Company, the Company’s systems of internal controls regarding finance, accounting, legal compliance, ethics, privacy and cyber-security that management and the Board have established, the performance of the Company’s internal audit function and the registered public accounting firm (“independent auditor”), and the qualifications and independence of the Company’s independent auditor.

While the Committee has the responsibilities and powers set forth in this Charter, it is not the Committee’s duty to plan or conduct audits or to determine that the Company’s financial statements and disclosures are complete and accurate and are in accordance with U.S. generally accepted accounting principles (“GAAP”). This remains the responsibility of management and the independent auditor. In addition, it is not the Committee’s duty to assure compliance with laws and regulations applicable to the Company’s operations. This remains the responsibility of management. The Committee will perform such other functions as assigned by law, the Company’s Amended and Restated Certificate of Incorporation and Amended and Restated By-Laws, or the Board.

**ORGANIZATION AND MEMBERSHIP**

The Committee shall be composed of no fewer than three directors. The members of the Committee and the Chair of the Committee shall be elected by the Board at the annual organizational meeting of the Board following the annual meeting of stockholders and shall serve until their successors shall be duly elected and qualified or their earlier death, resignation, or removal.

Each member of the Committee shall be an “independent director” as such term is defined under the Company’s independence standards, the listing standards of the Nasdaq Stock Market (“Nasdaq”), as amended from time to time, and the rules and regulations of the Securities and Exchange Commission (“SEC”) and should:

- not have participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the past three years.
- have a working familiarity with basic finance and accounting practices and be able to read and understand fundamental financial statements, including a company's balance sheet, income statement, and cash flow statement.
- At least one member of the Committee shall qualify as an "audit committee financial expert" as defined by the SEC. Pursuant to Nasdaq Rule 5605(c)(2)(A), at least one member of the Committee shall have past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the member's financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities.
- not accept, directly or indirectly, any consulting, advisory, or other compensatory fee from the Company, other than compensation for their services as members of the Board or the Committee.
- not be an affiliated person, as defined by Rule 10A-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

## **DUTIES AND RESPONSIBILITIES**

In meeting its responsibilities, the Committee is expected to:

### **Oversight of Financial Reporting**

- Review and approve the Company's quarterly financial statements and the related discussion and analysis of financial condition and results of operations prepared by management to be included in the Company's quarterly reports and discuss this information with management and the independent auditor.
- Review management's report on internal control over financial reporting and the independent auditor's attestation as required by applicable law, and approve the disclosure in the Company's Annual Report on Form 10-K and Quarterly Report on Form 10-Q.
- Review and discuss with management earnings press releases, anticipated earnings call disclosures, if any, and discuss with management financial information and earnings guidance provided to analysts prior to their release, including the type and presentation of information, paying particular attention to any pro forma or adjusted non-GAAP information. Such discussions may be in general terms (i.e., discussion of the types of information to be disclosed and the type of presentations to be made).

- Review other significant financial releases with the Chief Financial Officer and other members of management prior to the public release of such information.
- Prepare an annual committee report for inclusion where necessary in the proxy statement of the Company relating to its annual meeting of security holders.
- Review and evaluate the Company's practices with respect to the use of non-GAAP disclosures in periodic reports, earnings press releases, earnings guidance, and other financial presentations.
- Consider and review with the internal auditor, if any, and the independent auditor:
  - the adequacy, effectiveness and efficiency of management processes, internal financial systems and operating controls including computerized information system controls and security;
  - any related significant findings and recommendations of the independent auditor and internal auditing together with management's responses thereto; and
  - critical accounting policies and estimates, as well as the existence and substance of other significant accounting accruals, reserves, contingencies, or estimates made by management that could have a material impact on the financial statements.
- Review with management, the internal auditor, if any, and the independent auditor at the completion of the annual examination:
  - the Company's annual financial statements and related footnotes;
  - the independent auditor's audit of the financial statements and their report thereon;
  - compliance with requirements of the SEC;
  - any significant changes required in the independent auditors' audit plan;
  - any serious difficulties or disputes with management encountered during the course of the external audit;
  - management's explanations of significant variances in the annual financial statements between years and determines whether the data are consistent with the Management's Discussion and Analysis ("MD&A") section of the annual report, review with management the MD&A section of the Company's periodic reports and ask the extent to which the independent auditor reviewed the MD&A section; and

- other matters related to the conduct of the audit, which are to be communicated to the Committee under generally accepted auditing standards, including any “critical audit matters” as defined under said standards.
- Review management’s climate risk disclosures within the financial reporting framework and monitor developments in integrated reporting for these areas for alignment with financial reporting.

### **Selection and Oversight of Independent Auditor**

- Be directly responsible for the appointment, compensation, retention, and oversight of the work of any independent auditor engaged (including resolution of disagreements between management and the auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, and each such independent auditor must report directly to the Committee. In connection with these responsibilities, evaluate the independent auditor’s qualifications, independence, and performance.
- Have the sole authority to appoint, determine funding for and oversee the independent auditor. The Committee shall approve and review independent auditor fees.
- Have sole discretion over the appointment or discharge of the independent auditor, monitor any rotation of the audit and review partners of the independent auditor, review the independent auditor’s compensation, and consider the range of fees for audit and nonaudit services provided by the independent auditor.
- Review and discuss reports provided from the independent auditor to the Committee regarding critical accounting policies, alternative treatments of financial information within GAAP that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor, and other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences, as required by Section 10A(b)(1) of the Exchange Act.
- Ensure receipt from the independent auditor of a formal written statement delineating all relationships between the independent auditor and the Company, actively engaging in a dialogue with the independent auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the auditor and take, or recommend that the Board take, appropriate action to oversee the independence of the independent auditor.
- Review and approve the audit scope and plan of the independent auditor and the internal auditor, if any, to assure completeness of coverage and the effective use of audit resources.
- Discuss with the independent auditor the matters required to be discussed under the standards of the Public Company Accounting Oversight Board.

- Review and, if appropriate, pre-approve audit and non-audit services to be provided by the Company's independent auditor; provided, that the Committee may establish policies and procedures for pre-approval of non-audit services provided that such policies and procedures are detailed as to the particular service and the Committee is promptly informed of each service in accordance with such policies and procedures.
- Set and maintain policies for the hiring of employees or former employees of the independent auditor.
- Meet with the independent auditor in separate executive sessions to discuss any matters that the Committee or the auditor believes should be discussed privately with the Committee.
- Require management and the independent auditor to advise the Committee of significant deficiencies, material weaknesses and significant changes in internal controls and disclosure controls and procedures as well as any illegal acts.
- Assure the regular rotation of the lead audit partner as required by applicable law and consider whether there should be a regular rotation of the audit firm.

#### **Oversight of Internal Audit Function**

- Review the reports of the Company's internal auditor, if any, and management's response thereto, and provide oversight of the internal audit function.
- Discuss with management and the independent auditor, if any, if there were any significant financial reporting issues discussed during the accounting period, and if so, how they were resolved.

#### **Oversight of Internal Controls, Risk Management, Compliance and Other Legal Matters**

- Inquire of management, the internal auditor, if any, and the independent auditor about significant risks or exposures and assess the steps management has taken to minimize or control the exposure to such risk to the Company.
- Review legal and regulatory matters that may have a material impact on the financial statements, related Company compliance policies, and programs and reports received from regulators.
- Review, discuss, and monitor management's approach to compliance with legal and regulatory requirements, including:
  - management's approach to the scope and status of systems or processes, if any, designed to monitor or promote Company compliance with laws, regulations and Code of Business Conduct and Ethics (the "Code");
  - review the findings or observations of any examinations or reviews by regulatory

agencies and completed compliance activities or audits;

- obtain regular updates from management and company legal counsel regarding compliance matters; and
- review management's approach to legal compliance risk management.
  
- Periodically discuss with the Company's general counsel legal matters that may have a material impact on the financial statements or the Company's compliance procedures that pertain to financial, accounting, investment, tax matters or other matters subject to oversight of the Audit Committee of the Company.
- Periodically discuss with management and the independent auditor proposed or recently enacted changes to accounting standards or rules promulgated by the Financial Accounting Standards Board, SEC or other regulatory bodies that are expected to have a material effect on the Company's financial statements.
- Conduct appropriate review and oversight of all related party transactions for potential conflict of interest situations.
- Review the Code for directors, officers, and employees, approve all waivers of the Code for directors and officers, and ensure timely disclosure of any such waivers by the Committee or the Board.
- Establish procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, auditing, or legal compliance matters, and for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting, auditing, or legal compliance matters.
- Review the Company's process for identifying fraud and make recommendations for modifications to the process as it deems appropriate.
- Review and take appropriate action with respect to any reports to the Committee from legal counsel for the Company concerning any material violation of securities laws or breach of fiduciary duty or similar violation by the Company, its subsidiaries or any person acting on their behalf.

### **Other Responsibilities**

- Maintain free and open means of communication between the directors, the independent auditor, the internal auditor, if any, and the management of the Company.
- Review and recommend updates to the Committee's Charter on an annual basis and as needed.
- Review the Committee's performance on an annual basis and present the results of its self-assessment and performance evaluation to the Nominating and Corporate Governance Committee and the Board.

- Discuss and evaluate the Company's investment portfolio and investment policy and make recommendations for modifications as it deems appropriate.
- Review and assess the Company's system of internal controls regarding legal compliance, ethics, privacy and cyber-security that management and the Board have established.
- Review and discuss with management the Company's privacy and cyber-security risk exposure, if any, including the potential impact of those exposures on the Company's business, operations and reputation and the steps management has taken, or will take, to monitor and mitigate such exposures.
- Report Committee actions to the Board with such recommendations as the Committee may deem appropriate.
- Review and discuss with management the Company's contingency plans relating to natural disasters and public health crises, including work-from-home arrangements and the impact on cyber-security and internal control over financial reporting.

### **ACCESS**

The Committee is at all times authorized to have direct, independent, and confidential access to the Company's other directors, management and other personnel to carry out the Committee's purposes. The Committee is authorized to conduct or authorize investigations into any matters relating to the purposes, duties or responsibilities of the Committee.

### **OUTSIDE ADVISERS**

The Committee shall have the authority, in its sole discretion, to select, retain, and terminate any legal counsel, accountants or other advisers as necessary to assist with the execution of its duties and responsibilities as set forth in this Charter. The Committee shall have sole authority to approve such legal counsel's or other adviser's fees and other retention terms.

The Company shall provide for appropriate funding, as determined by the Committee, in its capacity as a committee of the Board of Directors, for payment of: (1) compensation to 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, (2) compensation to any advisers employed by the Committee under the foregoing paragraph and (3) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

### **MEETINGS**

The Committee shall meet at least four times per year or more frequently as circumstances require and shall meet at least once per year in executive session without Company management present. Except as otherwise provided by this Charter or by applicable laws or regulations, as amended from time to time: (1) a majority of the members of the Committee entitled to vote, either present in person or by means of remote communication shall constitute a quorum for the transaction of business at all meetings of the Committee and (2) all actions of the Committee shall be by affirmative vote of a majority of those members so determined to be present. Actions of the

Committee may be taken by voice vote and a record thereof included in the minutes of the meeting or may be taken by unanimous consent by the members voting for the action. Any such unanimous consent may be delivered in counterparts. The Chair of the Committee will lead all Committee meetings. If the Chair of the Committee is absent from any meeting of the Committee, the remaining members of the Committee present at such meeting will select a member of the Committee who is present at the meeting to lead the meeting. All other Board members are permitted to attend meetings of the Committee.

### **MINUTES**

The minutes of all Committee meetings shall be prepared by a secretary of the meeting designated by the Committee and distributed to all Committee members for approval at a subsequent meeting. These minutes shall be retained with the Company's permanent corporate records.

### **DELEGATION OF AUTHORITY**

The Committee shall have the authority to delegate any of its responsibilities, along with the authority to take action in relation to such responsibilities, to one or more subcommittees as the Committee may deem appropriate in its sole discretion.