



## **MEDIWOUND LTD.**

### **AUDIT COMMITTEE CHARTER**

The board of directors (the “Board”) of MediWound Ltd. (the “Company”) has constituted and established an Audit Committee (the “Committee”) with the authority, responsibility and specific duties as described in this Audit Committee Charter (this “Charter”).

#### **I. PURPOSE**

The purposes of the Committee are to:

- provide oversight of the accounting and financial reporting process of the Company and the audits of the financial statements of the Company;
- assist the Board in its oversight of (i) the integrity of the Company’s financial statements and other published financial information, (ii) the Company’s compliance with applicable financial and accounting related standards, rules and regulations, (iii) the selection, retention, or termination, subject to shareholder approval, of the Company’s independent auditor, in the pre-approval of all audit, audit-related and all permitted non-audit services, if any, by the Company’s independent auditor, and the compensation therefor, (iv) the Company’s internal controls over financial reporting, and (v) risk assessment and risk management;
- determine whether there are delinquencies in the business management practices of the Company, including in consultation with the Company’s internal auditor or independent auditor, as applicable, and make recommendations to the Board to improve such practices;
- determine whether to approve certain related party transactions or transactions in which a Board member or other Office Holder (as defined in the Israeli Companies Law, 5759-1999 (the “Companies Law”) has a personal interest and whether such transaction is material to the Company;
- determine whether a competitive bidding process or other procedures are required with respect to certain related party transactions (based on the type of transaction);
- determine standards and policies for determining whether a transaction with a Controlling Shareholder (as defined in the Companies Law) or a transaction in which a Controlling Shareholder has a personal interest is deemed insignificant or not and the approval requirements (including, potentially, the approval of the Committee) for transactions that are not insignificant including the types of transactions that are not insignificant;
- prepare any report by the Committee that the rules of the U.S. Securities and Exchange Commission (“SEC”) require to be included, or that the Company otherwise elects to include, in the Company’s proxy statement for the annual meeting of the Company’s shareholders;
- provide the Board with the results of its monitoring and recommendations derived from



the foregoing; and

- fulfill any other duties of the Committee as shall be required under the Companies Law, the Sarbanes-Oxley Act of 2002 and the rules and regulations of the SEC promulgated thereunder (the “SOX Regulations”) or the rules of the Nasdaq Stock Exchange.

The Committee is not responsible, however, for planning or conducting audits, or determining whether the Company’s consolidated financial statements are complete and accurate or in accordance with U.S. Generally Accepted Accounting Principles (“GAAP”) or International Financial Reporting Standards (“IFRS”), as applicable.

The purposes, responsibilities and other provisions specified in this Charter are meant to serve as guidelines, are subject to applicable law, and the Committee is delegated the authority to adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities. Unless otherwise prescribed in this Charter, the Articles of Association of the Company or applicable law, the rules and procedures applicable to the operation of the Board shall apply to the operation of the Committee with any necessary changes. Nothing herein is intended to expand applicable standards of liability under Israeli or U.S. federal law for directors of a corporation.

The Committee relies on the expertise and knowledge of management and the Company’s independent auditor in carrying out its oversight responsibilities. Management of the Company is responsible for determining that the Company’s financial statements are complete, accurate and in accordance with generally accepted accounting principles. The independent auditor is responsible for auditing the Company’s financial statements. It is not the duty of the Committee to plan or conduct audits, to determine that the financial statements are complete and accurate and in accordance with generally accepted accounting principles, to conduct investigations, or to assure compliance with laws and regulations or the Company’s standards of business conduct, codes of ethics, internal policies, procedures and controls.

## **II. MEMBERSHIP**

The Committee’s membership shall satisfy the following requirements, subject to applicable law:

- The Committee shall have three or more members.
- The members of the Committee shall be “independent” (an “Independent Director”) (or be subject to an applicable exception) as determined in accordance with applicable law, including the Sarbanes-Oxley Act of 2002 and the SOX Regulations, and the NASDAQ Listing Rules (the “NASDAQ Rules”).
- The composition of the Committee shall otherwise comply with all relevant requirements under the Companies Law.
- The Committee’s members shall be appointed by and serve at the discretion of the Board.
- The Committee’s members shall serve until their successors are duly designated and qualified.



- Any member of the Committee may be removed at any time, with or without cause, by a resolution of the Board.
- Any vacancy on the Committee occurring for any reason whatsoever may be filled by a resolution of the Board.
- No member of the Committee may have participated in the preparation of the financial statements of the Company or any of the Company's current subsidiaries during the preceding three years.
- Each member of the Committee must be able to read and understand fundamental financial statements (including a company's balance sheet, statement of operation and comprehensive income and statement of cash flows).
- 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 results in the member's financial sophistication, in each case, consistent with the NASDAQ Rules. That individual shall also be deemed an "audit committee financial expert" consistent with the SEC's rules and regulations.
- The Committee's Chairperson shall be designated by the Board, subject, to the extent applicable, to the requirements of the Companies Law with respect to the identity of the Committee Chairperson.
- A member of the Committee may not, other than in his or her capacity as a member of the Committee, the Board or any other committee established by the Board, receive directly or indirectly from the Company any consulting, advisory or other compensatory fee from the Company. Subject to applicable law, a member of the Committee may receive additional directors' fees to compensate such member for the significant time and effort expended by such member to fulfill his or her duties as a Committee member.

### **III. MEETINGS AND AUTHORITY**

The Committee shall meet at least once every fiscal quarter, or more frequently as circumstances require. In addition, the Committee shall, at such times as it deems appropriate, meet separately with management, the internal auditor, representatives of the internal auditing department, if any, and the independent auditor to discuss any matters that the Committee or any of these persons or firms believe should be discussed privately. It is the responsibility of the Committee to maintain free and open communication among the Committee, the independent auditor, the internal auditor and management of the Company.

The presence (in person or via telephone or other means of communication) of a majority of the members of the Committee shall constitute a quorum for the transaction of business, and the act of a majority of those present at any meeting at which there is a quorum shall be the act of the Committee.

The Company's internal auditor shall be provided with notices of all meetings of the Committee, and the Company's independent auditor shall be provided with notice of meetings in which a matter related to the audit of the financial statements or a discussion of the quarterly results of operation of the Company is to be discussed, and shall be entitled to attend such meetings, subject to a determination by the Committee to exclude it from all or any part of the meeting to the extent permitted under applicable law. The internal auditor may request



that the Committee's Chairperson call a meeting in order to discuss a matter detailed in his or her request for a meeting, and the Chairperson shall call the meeting within a reasonable time, if the Chairperson deems fit, at his or her discretion.

The Committee may ask members of management or others to attend meetings and provide pertinent information, as necessary.

Notwithstanding the foregoing, any person who is, pursuant to the Companies Law, forbidden from serving as a member of the Committee, shall not be present at any meeting of the Committee (during its discussions or its decision making), unless the Chairperson has determined that such person is required during the presentation of a certain topic to the Committee, provided, however, that an employee of the Company is permitted to be present for the discussions, but not the decision making, that take place at a meeting, and provided, furthermore, that the Company's legal counsel and the Company's secretary, are permitted, if the Committee so requests, to be present at a meeting (during discussions or decision making).

The Committee may act by unanimous written consent in lieu of a meeting. The Chairperson of the Committee, in consultation with the other Committee members, may determine the frequency and length of the Committee meetings and may set meeting agendas consistent with this Charter.

The Committee shall have the power to retain, without Board approval and at the Company's expense, and terminate, the services of, as it deems appropriate, any independent counsel, consultants, advisers and other experts to assist the Committee in connection with its responsibilities, and shall have the sole authority to approve such counsels', consultants', advisers' and experts' fees and other retention terms and any ordinary administrative expenses necessary or appropriate in carrying out the Committee's duties. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to any such counsel, consultants, advisers or experts 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.

Subject to applicable law, the Committee may delegate its authority to subcommittees established from time to time by the Committee. Such subcommittees shall consist of one or more members of the Committee and shall report to the Committee.

#### **IV. DUTIES AND RESPONSIBILITIES**

The Committee shall have the power and authority of the Board to perform the duties and to fulfill the responsibilities detailed below:

##### Independent Auditor:

1. Be directly responsible for the appointment, retention, compensation, oversight, evaluation and termination of the work of the Company's independent auditor (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 the independent auditor must report directly to the Committee, subject to any additional approvals that may be required from other corporate bodies under the Companies Law. In making its determination regarding the retention or termination of the independent auditor and otherwise as it deems



necessary from time to time, the Committee shall:

- a. (i) at least annually, obtain and review a written report by the independent auditor describing any material issues raised by the most recent Public Company Accounting Oversight Board inspection, by an internal quality control review, of the firm or by any inquiry or investigation by governmental or professional authorities within the past five years, concerning an independent audit or audits carried out by the firm, and any steps taken to deal with any such issues; and (ii) review the independent auditor's work throughout the year, including obtaining the opinions of management;
  - b. receive written statements from the independent auditor delineating all relationships between the independent auditor and the Company, discuss with the independent auditor any disclosed relationships or services that may impact the objectivity and independence of the independent auditor and recommend any appropriate actions to be taken;
  - c. review the independent auditor's written submission to the Company of annual fees billed;
  - d. oversee the hiring by the Company of any employees or former employees of the Company's auditors; and
  - e. meet periodically (not less than annually) in separate executive sessions with the Company's independent auditor.
2. Review and evaluate the senior members of the independent auditor's team, in particular, the lead audit partner and the reviewing partner. Discuss with management the timing and process for the rotation of the lead audit partner and the reviewing partner as required by applicable law and rules.
  3. Pre-approve all audit, audit-related and all permitted non-audit services, and related fees and terms, to be provided to the Company by the independent auditor under applicable law and regulations. The Committee may, in accordance with applicable law, establish pre-approval policies and procedures for the engagement of independent accountants to render services to the Company, including a delegation of authority to one or more of its members. The pre-approval of auditing and non-auditing services can be carried out with input from, but no delegation of authority to, management.
  4. Establish policies for hiring employees or former employees of the independent auditor in accordance with applicable law and regulations.

Internal Control over Financial Reporting:

1. Review periodically with management, the internal auditor and the independent auditor, the adequacy and effectiveness of the Company's system of internal control over financial reporting.
2. Evaluate whether management is effectively communicating to employees and other persons retained by the Company the importance of internal accounting and financial control effectiveness.
3. Determine whether internal control over financial reporting improvement



recommendations made by the internal auditor and the independent auditor have been appropriately implemented in a timely manner by management.

4. Review with management, the internal auditor and the independent auditor (i) the Company's major financial risk exposures (including major legislative and regulatory developments that could materially impact the Company's contingent liabilities and risks) and the steps management has taken to monitor and control such exposures, and (ii) the processes followed for assessment of internal control over financial reporting under Section 404 of the Sarbanes-Oxley Act of 2002, the disclosure regarding such assessment and any attestation by the independent auditor thereon.
5. Review, at least annually, (i) the material reserves established for the contingent liabilities of the Company and its subsidiaries, and (ii) any "off-balance sheet" transaction or off-balance sheet assets or liabilities.

#### Financial Reporting:

1. Review with management and the independent auditor the annual and quarterly financial statements of the Company prior to filing (or submission, as the case may be) with the SEC (whether filed as part of a Form 20-F, 10-K, or 10-Q or filed or submitted under cover of Form 6-K), including the Company's disclosures under "Operating and Financial Review and Prospects" or "Management's Discussion and Analysis of Financial Condition and Results of Operations," and any material changes in accounting principles or practices used in preparing the financial statements, and, to the extent applicable, the form of audit opinion to be issued by the auditors on the financial statements.
2. Discuss with management, and review prior to submission, any responses to SEC comments regarding the Company's financial statements or financial reporting.
3. Discuss with management and the Company's independent auditors generally the types of financial information (including earnings guidance) to be disclosed in earnings press releases and earnings calls, as well as to analysts and rating agencies.
4. Review and discuss with management and the Company's independent auditors the Company's earnings press releases, including the use of any pro forma, adjusted or other non-GAAP (or non-IFRS compliant) financial information, before their release to the public.
5. Receive periodic reports from the independent auditor regarding:
  - a. critical accounting policies and practices;
  - b. all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management of the Company, ramifications of the use of alternative disclosures and accounting treatments and the accounting treatment preferred by the independent auditor; and
  - c. other material written communications between the independent auditor and management, including any management letter or schedule of adjusted differences.
6. Review with the Company's general counsel and/or external counsel legal and regulatory matters that could have a material impact on the financial statements.



7. Review with the independent auditor: (i) the scope and results of the audit; (ii) any problems or difficulties that the auditor encountered in the course of the audit work, and management's response; and (iii) any questions, comments or suggestions the auditor may have relating to the internal controls and accounting practices and procedures of the Company.
8. Review and discuss with the independent auditor the independent auditor's judgments as to the quality, not just the acceptability, of the Company's accounting principles.
9. Discuss with the independent auditor the matters required by Statement on Auditing Standards No. 16 (Communications With Audit Committees) relating to the conduct of the audit, including any difficulties encountered in the course of the audit effort, restrictions on the scope of procedures or access to requested information and any significant disagreements with management.
10. Periodically review and discuss with management and the independent auditor significant accounting and reporting issues, including financial reporting pronouncements and proposals, and understand their impact on the Company's financial statements.
11. Prepare a "Report of the Audit Committee" to be included in the Company's annual proxy statement, if the Company is then subject to the U.S. proxy rules.
12. 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, and review any complaints or concerns received pursuant to such procedures.
13. Review with management and the independent auditor risks of material misstatements, including due to fraud, and the process and controls implemented by the Company to manage that risk.
14. Meet periodically (not less than annually) in separate executive sessions with the Company's Chief Financial Officer and Chief Executive Officer.
15. Periodically receive reports from management on cybersecurity risks and will be updated by management, as necessary, regarding any material cybersecurity incidents, as well as any incidents with lesser impact potential.
16. The Committee will report to the full Board regarding its activities, including those related to cybersecurity
17. Review and determine with management and the independent auditor whether an accounting restatement is required to correct the Company's material noncompliance with any financial reporting requirement under securities laws, including an error in previously issued financial statements that is material to the previously issued financial statements or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period, and determine the date of such accounting restatement and promptly report to the compensation committee of the Board such determination.
18. Present conclusions reached from the foregoing to the Board.





Internal Auditor:

1. Recommend to the Board the retention and termination of the internal auditor, and the internal auditor's engagement fees and terms, in accordance with the Companies Law.
2. Approve the yearly or periodic work plan proposed by the internal auditor.
3. Meet periodically in separate executive sessions with the internal auditor.
4. Review and discuss the work of the internal auditor on a quarterly basis, including significant findings and management's responses to such significant findings.
5. If the Committee finds it necessary, review whether the Company should implement an internal audit function consisting of employees of the Company and, if so, review the internal audit function, including its independence, effectiveness, proposed control review plans and resources for the coming year (determining whether the internal auditor has sufficient resources and tools to dispose of its responsibilities, taking into consideration the Company's special needs and size), and the coordination of such plans with the independent public accountant.

Legal and Regulatory Compliance:

1. Review and monitor, as appropriate, with the Company's general counsel and/or external counsel, as it deems necessary, (i) litigation, regulatory, or other legal matters that could have a material 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. The Committee shall be fully entitled to rely on reports that it receives and shall be under no obligation to conduct any independent investigation or verification.
2. Receive reports of suspected business irregularities and legal compliance issues through periodic and, when appropriate, immediate reporting by members of the Company's management, legal counsel, the independent or internal auditor or pursuant to any "whistleblower policy" adopted by the Committee. Establish procedures for handling complaints by the Company's employees with respect to deficiencies in its business operations, including the protection to be granted to such complaining employees. In the event that the Committee is informed of any irregularities, it will suggest to the Board remedial courses of action. The Committee shall be fully entitled to rely on reports that it receives and shall be under no obligation to conduct any independent investigation or verification.
3. Oversee the Company's policies and procedures regarding compliance with applicable financial and accounting related standards, rules and regulations.

Other Responsibilities:

1. Review and consider the approval of related party transactions, including, where applicable, transactions between the Company and a Controlling Shareholder or a transaction with another person in which a Controlling Shareholder has a personal interest, and transactions involving an Office Holder of the Company (as defined in the Companies Law) that may present a conflict of interest between the duties of such Office Holder to the Company and his or her personal interests, in each case in accordance with NASDAQ Rules, the Companies Law or as referred by the Board (each, a "Related Party





Transaction”). In order to assist it in carrying out such role, the Committee shall apply criteria for classification of transactions and actions as extraordinary transactions and material actions and/or as transactions that are not insignificant, and shall classify certain transactions or actions accordingly, and, if involving conflicts of interests or Related Party Transactions, shall review and consider their approval, in accordance with the Companies Law, including whether a competitive bidding process or other procedures are required with respect to certain Related Party Transactions (based on the type of transaction).

2. Confirm that the Company’s independent auditors are informed of the Committee’s understanding of the Company’s Related Party Transactions that are significant to the Company; and review and discuss with the Company’s independent auditors the auditors’ evaluation of the Company’s identification of, accounting for, and disclosure of its Related Party Transactions, including any significant matters arising from the audit regarding the Company’s Related Party Transactions.
3. Discuss Company policies with respect to risk assessment and risk management, and review contingent liabilities and risks that may be material to the Company and relevant major legislative and regulatory developments that could materially impact the Company’s contingent liabilities and risks.
4. Review periodically the Company’s major financial risk exposures and the Company’s policies for managing such risks.
5. Conduct or authorize investigations into any matters within the Committee’s scope of responsibilities.
6. Review and approve any material change or waiver in the Company’s Code of Conduct regarding directors or executive officers, and disclosures made in the Company’s annual report in such regard.
7. Any other responsibility set forth in the Companies Law, as the same may be amended from time to time.
8. Perform such other duties consistent with this Charter, the Company’s governing documents and applicable law that may be requested by the Board.
9. Review and assess on an annual basis the adequacy of its own charter, structure, processes and membership requirements.
10. Review and approve any material change or waiver in the Company’s ethics codes regarding directors or senior executive officers, and disclosures made in the Company’s annual report in such regard.
11. Review any auditing or accounting issues concerning the Company’s employee benefit plans.
12. Select, engage, compensate and terminate consultants, legal counsel, financial advisors and such other advisors as it deems necessary and advisable to assist the Committee in carrying out its responsibilities and functions as set forth herein and to authorize such persons’ fees without the Board’s approval (subject to applicable limitations established by the Companies Law). The compensation paid to such persons and related expenses will be borne by the Company and the Company will make funding available to the



Committee for such purposes.

## **V. REPORTING**

The Committee will apprise the Board regularly of its decisions and recommendations and of significant developments in the course of performing the above responsibilities and duties. Without derogating from the aforesaid, the Committee shall submit any recommendation or resolution which is subject to Board approval a reasonable time prior to the contemplated Board meeting.

## **VI. MINUTES**

The Committee will maintain written minutes of its meetings.

## **VII. INTERPRETATION; DEFINITIONS**

To the extent (a) any of the provisions included herein is a description or summary of any applicable law or is intended to recite the provisions of any applicable law or (b) the Company becomes subject to any additional provisions of the Companies Law or any other applicable law that are applicable to the Committee (including the requirement to appoint external directors under the Companies Law), then in the event of any inconsistency, contradiction or any other conflict between the provisions herein and the provisions of such applicable law, the provisions of such applicable law shall prevail and supersede and shall be deemed to constitute an integral part of this charter (and the Company will take all action necessary to amend such provisions as necessary to comply with all such applicable laws). In the event that any such provision of applicable law is amended to include any relief or exclusion, then, such relief and exclusions shall be deemed to constitute an integral part of this charter, whether or not such conflict, inconsistency or contradiction arises.

Any references to any law, statute or regulation are to it as amended, supplemented or restated, from time to time (and, in the case of any law, to any successor provisions or re-enactment or modification thereof being in force at the time); any reference to "law" shall include any supranational, national, federal, state, local, or foreign statute or law and all rules and regulations promulgated thereunder (including, any rules, regulations or forms prescribed by any governmental authority or securities exchange commission or authority); and any reference to "law" shall be read subject to the Company's Articles of Association, as amended from time to time.

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Adopted: March 9, 2014

Last Updated: March 21, 2024