



## CARLSMED, INC.

### AUDIT COMMITTEE CHARTER

#### **I. Purpose**

The audit committee (the “Committee”) of the Board of Directors (the “Board”) of Carlsmed, Inc., a Delaware corporation (the “Company”), is appointed by the Board for the purpose of assisting the Board in fulfilling its legal and fiduciary obligations with respect to matters involving the accounting, auditing, financial reporting, internal control and legal compliance functions of the Company, including, without limitation, assisting the Board in its oversight of:

- the quality and integrity of the financial statements of the Company and other financial information provided by the Company to governmental bodies or the public and the independent audit thereof;
- the Company’s compliance with legal and regulatory requirements (other than with respect to healthcare regulatory compliance);
- the qualifications and independence of the Company’s Independent Auditor (as defined below), including the Company’s disclosures and procedures including the lead audit partner;
- the Company’s system of internal controls regarding finance, accounting, and regulatory compliance;
- the design and implementation of the Company’s internal audit function; and
- the performance of the Independent Auditor and the Company’s internal audit function.

The Committee’s responsibilities are limited to oversight. The Company’s management is responsible for establishing and maintaining accounting policies and procedures in accordance with generally accepted accounting principles (“GAAP”) and other applicable reporting and disclosure standards and for preparing the Company’s financial statements. The independent registered public accounting firm engaged for the purpose of preparing or issuing an audit report for inclusion in the Company’s Annual Report on Form 10-K is referred to herein as the “Independent Auditor.” The Company’s Independent Auditors are responsible for auditing and reviewing the Company’s financial statements. It is also not the duty of the Committee to ensure the Company’s compliance with any law, regulation, or rule of The Nasdaq Stock Market LLC (“Nasdaq”) or the Company’s Corporate Governance Guidelines. The primary responsibility for these matters rests with the Company’s management.

This charter (the “Charter”) sets forth the authority and responsibility of the Committee in fulfilling its purpose. The Committee shall undertake those specific duties and responsibilities listed below and such other duties as the Board may from time to time prescribe. All powers of the Committee are subject to the restrictions designated in the Company’s bylaws and by applicable law.

#### **II. Committee Membership**

The members of the Committee (each, a “Member” and collectively, the “Members”) shall be appointed by the Board in accordance with the Company’s bylaws and shall serve at the discretion of the

Board. The Committee shall consist of at least three (3) Members, each of which shall meet all applicable standards of independence and financial literacy under applicable laws, regulations and rules, which determination of independence will be made by the Board.

The following membership requirements shall also apply:

1. each Member must be “independent” as defined in Nasdaq Listing Rule 5605(a)(2);
2. each Member must meet the criteria for independence set forth in Rule 10A-3(b)(1) promulgated under the Securities and Exchange Act of 1934, as amended (the “Exchange Act”), subject to the exemptions provided in Rule 10A-3(c) under the Exchange Act;
3. each Member must 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 (3) years;
4. each Member must be able to read and understand fundamental financial statements, including the Company’s balance sheet, income statement, and cash flow statement; and
5. at least one (1) Member must have past employment experience in finance or accounting, requisite professional certification in accounting, or other comparable experience or background which results in such Member’s financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities (i.e., an “audit committee financial expert” within the meaning of Item 407(d)(5)(ii) of Regulation S-K).

Unless a chairperson is elected by the full Board, the members of the Committee may designate a chairperson by majority vote of the full Committee membership.

Any member of the Committee may resign from the Committee at any time upon notice of such resignation to the Company. The Board shall have the power at any time to remove a member of the Committee with or without cause, to fill all vacancies, and to designate alternate members, upon the recommendation of the Committee, to replace any absent or disqualified members.

### **III. Structure & Meetings**

The Committee shall conduct its business and meetings in accordance with this Charter, the Company’s bylaws and any direction set forth by the Board. The chairperson of the Committee shall be designated by the Board or, in the absence of such a designation, by a majority of the Members. In the event of a tie vote on any issue, the chairperson’s vote shall decide the issue. The designated chairperson shall preside at each meeting of the Committee and, in consultation with the other Members, shall set the frequency and length of each meeting and the agenda of items to be addressed at each meeting. In the absence of the designated chairperson at any meeting of the Committee, the Members present at such meeting shall designate a chairperson for the purposes of such meeting (not to include any adjournment thereof) by majority vote. The chairperson of the Committee (or other member designated by the chairperson or the Committee in the chairperson’s absence) shall regularly report to the full Board on its proceedings and any actions that the Committee takes.

The Committee shall meet as often as it determines to be necessary and appropriate, but not less than quarterly each year. The Committee may establish its own schedule, provided that it shall provide such schedule to the Board in advance. The chairperson of the Committee or a majority of the Members may call

special meetings of the Committee upon notice as is required for special meetings of the Board in accordance with the Company's bylaws. A majority of the appointed Members, but not less than two (2) Members, shall constitute a quorum for the transaction of business. The Committee shall approve matters by the affirmative vote of a majority of the Members of the Committee. Members may participate in a meeting through use of conference telephone or similar communications equipment, so long as all Members participating in such meeting can hear one another, and such participation shall constitute presence in person at such meeting. The Committee may meet with any person or entity in executive session as desired by the Committee. The Committee must meet separately and periodically with management and with the internal auditor. The Committee shall meet with the Company's independent registered public accounting firm, at such times as the Committee deems appropriate, to review the independent registered public accounting firm's examination and management report. The Committee shall maintain written minutes of its meetings in paper or electronic form, which minutes shall be filed with the minutes of the meetings of the Board.

The Company will provide new members of the Committee with appropriate onboarding briefings, and the full Committee with educational resources and opportunities related to matters involving the accounting, auditing, financial reporting, internal control and legal compliance functions of the Company and other matters may be appropriate or requested by the Committee.

Unless the Committee by resolution determines otherwise, any action required or permitted to be taken by the Committee may be taken without a meeting if all Members consent thereto in writing or via electronic transmission and the same are filed with the minutes of the proceedings of the Committee. The Committee may form and delegate authority to subcommittees when appropriate.

#### **IV. Duties & Responsibilities**

In fulfilling its purposes as stated in this Charter, the Committee shall undertake the specific duties and responsibilities listed below and such other duties and responsibilities as the Board shall from time to time prescribe and shall have all powers necessary and proper to fulfill all such duties and responsibilities. Subject to applicable Board and stockholder approvals, the Committee shall:

##### **A. Financial Statement & Disclosure Matters**

1. Review the policies and procedures adopted by the Company to fulfill its responsibilities regarding the fair and accurate presentation of financial statements in accordance with GAAP and applicable rules and regulations of the U.S. Securities and Exchange Commission (the "SEC") and Nasdaq;
2. Oversee the Company's accounting and financial reporting processes;
3. Oversee audits of the Company's financial statements;
4. Review with the Company's independent registered public accounting firm, management and internal auditors any information regarding "second" opinions sought by management from any other accounting firm with respect to the accounting treatment of a particular event or transaction;
5. Prior to distribution to the public, review and discuss with management and the Independent Auditors, the Company's quarterly and annual financial results, earnings press releases and earnings guidance provided to analysts and rating agencies, and other public announcements regarding the Company's operating results;

6. Review and discuss the following with management, the internal auditors (if any), and the Independent Auditors, as applicable:
  - the Company’s annual audited and quarterly unaudited financial statements and annual and quarterly reports on Form 10-K and 10-Q, respectively, including the disclosures in “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and recommend to the Board whether the annual financial statements should be included in the Company’s Annual Report on Form 10-K;
  - the results of the Independent Auditors’ audit or review of the financial statements;
  - all critical audit matters proposed by the Independent Auditor to be included in the Independent Auditor’s annual audit report;
  - any items required to be communicated by the Independent Auditors in accordance with the applicable requirements of the Public Company Accounting Oversight Board (the “PCAOB”); and
  - any significant issues, events and transactions as well as any significant changes regarding accounting principles, practices, policies, judgments or estimates;
7. Prepare and approve the report required by the rules of the SEC to be included in the Company’s annual proxy statement in accordance with the requirements of Item 7(b) of Schedule 14A and Item 407 of Regulation S-K; and
8. Perform such further functions as may be consistent with this Charter or assigned by applicable law, the Company’s certificate of incorporation or bylaws or the Board.

**B. Matters Regarding Oversight of the Company’s Independent Auditors**

1. Be directly responsible, in its capacity as a committee of the Board, for the appointment, compensation, retention and oversight of the work of any independent registered public accounting firm engaged (including resolution of disagreements between management and such firm regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company; provided also that each such registered public accounting firm shall report directly to the Committee;
2. Actively engage in a dialogue with the Company’s independent registered public accounting firm with respect to any disclosed relationship or services that may impact the objectivity and independence of the independent registered public accounting firm;
3. Take, or recommend that the Board take, appropriate action to oversee and ensure the independence of the Company’s independent registered public accounting firm, including:
  - obtaining and reviewing, on an annual basis, a letter from the Independent Auditors describing (a) all relationships between the Independent Auditors and the Company required to be disclosed by applicable requirements of the PCAOB, (b) the Independent Auditor’s internal quality control procedures, and (c) any material issues raised by the most recent internal quality control review, peer review or PCAOB review or inspection of the firm or by any other inquiry or investigation by governmental or professional authorities;

- reviewing and discussing with the Independent Auditors relationships or services (including permissible non-audit services) that may affect their objectivity and independence;
  - overseeing the rotation of the Independent Auditors' lead audit and concurring partners and the rotation of other audit partners, with applicable time-out periods, in accordance with applicable law; and
  - taking such other appropriate actions as may be required or desirable by the Committee to oversee the independence of the Independent Auditors.
4. Establish clear policies regarding the hiring of employees and former employees of the Company's independent registered public accounting firm;
  5. Establish policies and procedures for review and pre-approval by the Committee of all audit services and permissible non-audit services (including the fees and terms thereof) to be performed by the Company's independent registered public accounting firm, with exceptions provided for *de minimis* amounts under certain circumstances as permitted by law; provided, however, that: (a) the Committee may delegate to one (1) or more Members the authority to grant such pre-approvals if the pre-approval decisions of any such delegate Member(s) are presented to the Committee at its next- scheduled meeting; and (b) all approvals of non-audit services to be performed by the independent registered public accounting firm must be disclosed in the Company's applicable periodic reports;
  6. Ensure that the Company's independent registered public accounting firm is registered as a public accounting firm with the PCAOB;
  7. Meet with the Company's independent registered public accounting firm prior to its audit to review the planning and staffing of the audit;
  8. Discuss with the Company's independent registered public accounting firm the matters required to be discussed by Public Company Accounting Oversight Board Auditing Standard No. 1301, as may be modified or supplemented;
  9. Review and discuss with the Independent Auditors the reports delivered to the Committee by the Independent Auditors regarding:
    - critical accounting policies, estimates and practices used;
    - alternative treatments of financial information within GAAP that have been discussed with management, the ramifications of those alternatives and the treatment preferred by the Independent Auditors;
    - any material written communications between the Independent Auditors and the Company's management;
    - any matters required to be communicated to the Committee under GAAP and other legal or regulatory requirements; and

10. Oversee the rotation of the lead (or coordinating) audit partner of the Company's independent registered public accounting firm having primary responsibility for the audit and the audit partner responsible for reviewing the audit at least every five (5) fiscal years.

C. Matters Regarding Oversight of the Company's Internal Audit Function. To the extent required by the listing requirements of Nasdaq or otherwise determined by the Board:

1. Review the Company's annual audited financial statements with management, including any major issues regarding accounting and auditing principles and practices, and review management's evaluation of the adequacy and effectiveness of internal controls over financial reporting under Section 404 of the Sarbanes-Oxley Act of 2002, as amended, that could significantly affect the Company's financial statements, including, but not limited to, any material weaknesses or significant deficiencies identified, as well as the adequacy and effectiveness of the Company's disclosure controls and procedures and management's reports thereon;
2. Review major changes to the Company's auditing and accounting principles and practices as suggested by the Company's independent registered public accounting firm, internal auditors or management;
3. Review all certifications required to be made by the Company's principal executive officer and principal financial officer in connection with the Company's periodic reports under the Exchange Act or pursuant to Sections 302 and 906 of the Sarbanes-Oxley Act;
4. Review the appointment of, and any replacement of, the Company's senior internal auditing executive; and
5. Review the significant reports to management prepared by the Company's internal auditing department and management's responses.

D. Matters Regarding Oversight of Compliance Responsibilities

1. Advise the Board with respect to the Company's policies and procedures regarding compliance with applicable laws and regulations;
2. Obtain reports from the Company's management, senior internal auditing executive and independent registered public accounting firm that the Company's subsidiaries and foreign affiliated entities are in compliance with applicable legal requirements, including the Foreign Corrupt Practices Act;
3. Establish procedures for: (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;
4. Review the Company's procedures for reviewing reports of whistleblowing as set forth in the Whistleblower Policy;
5. Review any reports of whistleblowing, including all reports made to the Company's anonymous and confidential helpline, with the Company's counsel or Chief Financial Officer, as applicable, in accordance with the Whistleblower Policy;

6. Meet periodically with management in the absence of the external auditor;
7. Review all related party transactions for potential conflict of interest situations on an ongoing basis and approve all such transactions in accordance with the Company's Related Party Transaction Policy (if such transactions are not approved by another independent body of the Board). The Committee shall periodically review such policy and recommend any changes to the Board, as appropriate;
8. Review and address any concerns regarding potentially illegal actions raised by the Company's independent registered public accounting firm pursuant to Section 10A(b) of the Exchange Act; and cause the Company to inform the SEC of any report issued by the Company's independent registered public accounting firm to the Board regarding such conduct pursuant to Rule 10A-1 under the Exchange Act; and
9. Obtain from the Company's independent registered public accounting firm assurance that such firm has complied with Section 10A of the Exchange Act.

E. Additional Duties & Responsibilities

1. Review and reassess the adequacy of this Charter annually;
2. Review and assess the performance and effectiveness of the Committee periodically;
3. Report regularly to the Board with respect to the Committee's activities and make recommendations as appropriate;
4. Review with the Company's outside counsel and internal legal counsel any legal matters that may have a material impact on the financial statements, the Company's compliance policies and any material reports or inquiries received from regulators or governmental agencies;
5. Provide oversight and review of the Company's asset management policies, including review of the Company's investment policies and performance for cash and short-term investments;
6. Review with management and the Company's independent registered public accounting firm any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting;
7. Review and discuss the Company's earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies;
8. Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and for the confidential and anonymous submission by Company employees of concerns regarding questionable accounting or auditing matters;
9. Review and discuss with management the risks faced by the Company and the policies, guidelines and process by which management assesses and manages the Company's risks, including the Company's major financial, cybersecurity and information technology risk exposures and the steps management has taken to monitor and control such exposures; and

10. Take any other actions that the Committee deems necessary or proper to fulfill the purposes and intent of this Charter.

Although the Committee has the responsibilities, duties and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete, accurate and in accordance with GAAP. Rather, those duties are the responsibility of management and the independent registered public accounting firm.

Nothing contained in this Charter is intended to alter or impair the operation of the "business judgment rule" as interpreted by the courts under Delaware law. Further, nothing contained in this Charter is intended to alter or impair the right of the Members to rely, in discharging their duties and responsibilities, on the records of the Company and on other information presented to the Committee, Board or Company by its officers or employees or by outside experts and advisers such as the Company's independent registered public accounting firm.

#### **V. Performance Evaluation**

The Committee shall annually review and assess the adequacy of this Charter and recommend any proposed changes to the Board for approval. The Committee shall also perform an evaluation of its own performance periodically, which shall compare the performance of the Committee with the requirements of this Charter. The performance evaluation by the Committee shall be conducted in such manner as the Committee deems appropriate. In conducting this review, the Committee shall evaluate whether this Charter appropriately addresses the matters that are or should be within its scope and shall recommend such changes as it deems necessary or appropriate. The report to the Board may take the form of an oral report by the chairperson of the Committee or any other Member of the Committee designated by the Committee to make this report.

#### **VI. Committee Resources**

In carrying out its duties and responsibilities, the Committee shall have the authority to retain such independent legal, accounting or other advisers as it determines necessary to carry out its duties and, if necessary, to institute special investigations. The Committee may request any officer or employee of the Company, or the Company's outside counsel or independent registered public accounting firm, to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee. Further, the Committee may request any such officer, employee, outside counsel or independent registered public accounting firm to provide any pertinent information to the Committee or to any other person or entity designated by the Committee.

The Company shall provide the Committee with appropriate funding, as determined by the Committee in its capacity as a committee of the Board, for the payments of: (1) reasonable compensation to any 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) reasonable compensation to any independent advisers retained by the Committee in carrying out its duties; and (3) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.