

**ARCUS BIOSCIENCES, INC.**  
**Audit Committee Charter**

**A. Purpose**

The purpose of the Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Arcus Biosciences, Inc. (the “**Company**”) is to assist the Board with its oversight of (i) the integrity of the Company’s financial statements, (ii) the Company’s compliance with legal and regulatory requirements, (iii) the qualifications, independence, and performance of the Company’s independent registered public accounting firm (the “**independent auditor**”), (iv) the design and implementation of the Company’s internal audit function and (v) financial risk assessment and financial risk management processes. The Committee is also responsible for preparing the report required by the Securities and Exchange Commission (the “**Commission**”) rules to be included in the Company’s proxy statement for the annual meeting of stockholders. This Charter sets forth the composition, authority and responsibilities of the Committee.

**B. Composition**

**1. Membership and Appointment**

The Committee shall be composed of at least three members, with the exact number to be determined by the Board except as otherwise permitted under the rules of the New York Stock Exchange (the “**Exchange**”, as such may be amended from time to time (the “**Rules**”). Each member of the Committee shall be appointed by the Board and may be removed by the Board in its sole discretion. If a Committee member simultaneously serves on the audit committees of more than three public companies, the Board must determine that such simultaneous service would not impair the ability of such Committee member to effectively serve on the Audit Committee. Each member shall serve until his or her resignation, retirement, removal by the Board, and/or until his or her successor is appointed.

**2. Qualifications**

Each member of the Committee shall:

- be an “independent director” as defined under the Rules, except as may otherwise be permitted by or otherwise satisfy the requirements of such Rules;
- be “independent” as set forth in Rule 10A-3(b)(1) promulgated under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), except as may otherwise be permitted by or otherwise satisfy the requirements of such Rule 10A-3(b)(1);
- be able to read and understand fundamental financial statements and otherwise meet all financial literacy requirements of the Rules, Exchange Act and Commission;
- not have participated in the preparation of the financial statements of the Company or any of its current subsidiaries at any time during the past three years;
- be free from any relationship that, in the opinion of the Board, would interfere with the

exercise of independent judgment as a Committee member; and

- meet any other requirements imposed by applicable law, regulations or rules, subject to any applicable exemptions and transition provisions.

In addition, at least one member (a) shall be an “audit committee financial expert” under the Exchange Act and (b) have past employment experience in finance or accounting, requisite professional certification in accounting, or other comparable experience of background that leads to financial sophistication. A person who satisfies the definition of “audit committee financial expert” will also be presumed to have financial management expertise and sophistication.

### **3. Chairperson**

The Board may designate a chairperson of the Committee. In the absence of that designation, the Committee may designate the chairperson by majority vote of the Committee’s members. The Chairperson shall set the agenda for meetings of the Committee and conduct the proceedings of meetings of the Committee.

## **C. Responsibilities and Duties**

The principal responsibilities and duties of the Committee in serving the purposes outlined in “Purpose” above are set forth below. These duties are set forth as a guide with the understanding that the Committee will carry them out in a manner that is appropriate given the Company’s needs and circumstances. The Board or Committee may supplement them as appropriate and may establish policies and procedures from time to time that it deems necessary or advisable in fulfilling its responsibilities.

The Committee’s responsibility is one of oversight. The members of the Committee are not employees of the Company, and they do not perform, or represent that they perform, the functions of management or the independent auditors. The Committee relies on the expertise and knowledge of management, the internal audit function and the independent auditor in carrying out its oversight responsibilities. The management of the Company is responsible for preparing accurate and complete financial statements in accordance with generally accepted accounting principles and for establishing and maintaining appropriate accounting principles, financial reporting policies, and satisfactory internal control over financial reporting. The independent auditor is responsible for auditing the Company’s annual consolidated financial statements and, when applicable, the effectiveness of the Company’s internal control over financial reporting, and reviewing the Company’s quarterly financial statements. It is not the responsibility of the Committee to prepare or certify the Company’s financial statements; plan, conduct or guarantee the audits or reports of the independent auditors; certify that the independent auditor is “independent” under applicable rules; or assure compliance with laws and regulations or the Company’s internal policies, procedures, or controls. These are the fundamental responsibilities of management and the independent auditors.

### **Matters relating to the Independent Auditor**

1. *Retention and Oversight of Auditors.* The Audit Committee shall be directly responsible for appointing, compensating, retaining (or terminating), and overseeing the independent

auditor engaged for the purpose of preparing or issuing an audit report or performing other audit, review, or attest services for the Company. The independent auditor will report directly to the Committee. The Audit Committee may consult with management in fulfilling these duties, but may not delegate these responsibilities to management.

2. *Approval of Engagements and Compensation.* The Committee shall approve (a) all audit, review and attest services and (b) all permitted non-audit services, including tax services. The Committee may, in accordance with applicable law, establish pre-approval policies and procedures for such engagements, including pre-approval by the Chairman in his or her sole discretion upon consultation with management. In connection therewith, the Audit Committee shall review the scope and plans for the audit and non-audit services, as well as all fees and other compensation to be paid, at the expense of the Company.
3. Investigate and resolve any disagreements that may arise between management and the independent auditor.
4. *Evaluation.* At least annually:
  - Evaluate the qualifications and performance of the independent auditor engaged for the purpose of preparing or issuing an audit report or performing other audit, review, or attest services for the Company, which evaluation shall include a review and evaluation of the lead partner of the independent auditor. In making its evaluation, the Committee should take into account the opinions of management and the Company's internal auditors (or other personnel responsible for the internal audit function).
  - Obtain and review a report by the independent auditor that describes (i) the independent auditor's internal quality control procedures, and (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the independent auditor or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, regarding any independent audit performed by the independent auditor, and any steps taken to deal with any such issues.
5. *Independence.* Review the continuing independence of the independent auditors, including:
  - Obtaining and reviewing, at least annually, a formal written statement from the independent auditor delineating all relationships between the independent auditor and the Company;
  - Reviewing and discussing with the independent auditor, at least annually, any relationships or services (including permissible non-audit services) that may affect its objectivity and independence;
  - Overseeing the rotation of the independent auditor's lead audit and concurring partners, and the rotation of other audit partners, with applicable time-out periods, in accordance with applicable law;

- Considering, on a periodic basis, whether, in order to assure continuing auditor independence, there should be a regular rotation of the independent auditing firm.
6. To consider, and if appropriate, set clear hiring policies with regard to the Company hiring employees and former employees of the independent auditor.

### **Financial Statements**

Review and discuss the following with management, the internal auditors, and the independent auditor, as applicable:

7. The results of the independent audit and the quarterly reviews of the Company's financial statements, and the independent auditor's opinion on the audited financial statements.
8. Matters required to be communicated to the Committee by the independent auditors in accordance with the requirements of the Public Company Accounting Oversight Board ("**PCAOB**"), including the independent auditor's assessment of the quality of the Company's accounting principles and practices, independent auditor's views about qualitative aspects of the Company's significant accounting practices, the reasonableness of significant judgments and estimates (including material changes in estimates and analyses of the effects of alternative GAAP methods on the financial statements), all known and likely misstatements identified during the audit (other than those the independent auditors believe to be trivial), and the adequacy of the disclosures in the financial statements.
9. The Company's annual audited and quarterly unaudited financial statements and annual and quarterly reports on Forms 10-K and 10-Q, including the disclosures in "Management's Discussion and Analysis of Financial Condition and Results of Operations," and recommend to the Board whether the audited financial statements should be included in the Company's Form 10-K.
10. Major issues regarding accounting principles, presentation of financial statements, the Company's internal control over financial reporting, the effect of alternative generally accepted accounting principle methods, the impact of any regulatory or accounting initiatives or off-balance sheet arrangements, and any other audit difficulties or problems, including management's response to such issues.
11. Review earnings press releases, and review and discuss, on a general basis, the type and presentation of information to be included therein (with particular attention to any use of "pro forma" or "adjusted" non-GAAP information) and earnings guidance provided to the public, analysts, and rating agencies.

### **Internal Controls and Audit**

12. Review and discuss with management, the internal auditors, if applicable, and the independent auditor the adequacy and effectiveness of the Company's internal controls, including any changes, significant deficiencies or material weaknesses in those controls

reported by the independent auditor, the internal auditors, if applicable, or management and any special audit steps adopted in light of any material control deficiencies, and any fraud, whether or not material, that involves management or other Company employees who have a significant role in the Company's internal controls.

13. Review and discuss the adequacy and effectiveness of the Company's disclosure controls and procedures.
14. Review, with the independent auditor, the responsibilities, budget, staffing and implementation plans for the Company's internal audit function.
15. Review and discuss with the internal auditor the results of the internal audit, significant issues in internal audit reports, and responses by management. Review and discuss the performance and effectiveness of the internal audit function.

### **Risk Management and Compliance Matters**

16. *Financial Activities.* Review with management the Company's major financial risk exposures and the steps management has taken to monitor or limit such exposures, including policies and procedures relating to cash management, investing activities, insurance, and tax planning and compliance, and approve policies related to these matters, if any.
17. *Related Party Transactions.* Review and oversee all transactions between the Company and a related person (as defined in Item 404 of Regulation S-K), in accordance with the Company's policies and procedures.
18. *Risk Assessment and Risk Management.* Oversee the management of risks associated with the Company's financial reporting, accounting, and auditing matters, including the Company's guidelines and policies with respect to risk assessment and risk management. Management of risk shall include reviewing the Company's cybersecurity and other information technology risks, controls and procedures, including the Company's plans to mitigate cybersecurity risks and to respond to data breaches. The Committee shall also review with management any specific cybersecurity issues that could affect the adequacy of the Company's internal controls.
19. *Legal and Regulatory.* Review, with counsel, legal or regulatory matters that could have a material impact on the Company's financial statements.
20. *Complaints.* Establish and oversee procedures for the receipt, retention, and treatment of complaints received by the Company reporting accounting, internal accounting controls, or auditing matters, as well as for confidential and anonymous submissions by the Company's employees concerning questionable accounting or auditing matters.

### **General**

21. *Committee Charter Review.* Review and reassess the adequacy of this charter annually and submit any recommended changes to the Board for approval.

22. *Performance Review.* Review and evaluate the performance of the Committee on an annual basis.
23. *Audit Committee Report.* Prepare the report of the Committee that Commission rules require to be included in the Company's proxy statement for the annual meeting of stockholders.

## **D. Meetings and Procedures**

### **1. Meetings**

The Committee shall hold regular or special meetings as its members shall deem necessary or appropriate, but in no event shall it meet less than once each fiscal quarter. The chairperson of the Committee shall preside at each meeting and approve the meeting's agenda, and any other member present may suggest items for consideration. If a chairperson is not designated or present, an acting chair may be designated by the Committee members present. The Committee shall maintain written minutes of its meetings, which shall be filed with the minutes of the meetings of the Board. The Committee shall meet separately, periodically with members of management as deemed appropriate, with internal auditors (or other personnel responsible for the internal audit function) and with the independent auditor in separate executive sessions. Each regularly scheduled meeting of the Committee should conclude with an executive session of the Committee absent members of management.

### **2. Attendees**

The Committee may invite to its meetings any director, officer, or employee of the Company and such other persons as it deems appropriate to carry out its responsibilities. The Committee may exclude from its meetings any person it deems appropriate in order to carry out its responsibilities, including non-management directors who are not members of the Committee.

### **3. Written Consent**

The Committee may act by written consent (which includes electronic consent) in lieu of a meeting in accordance with the Company's bylaws, which shall constitute a valid action of the Committee if it has been executed by each member of the Committee and shows the date of execution. Any written consent shall be effective on the date of the last signature and shall be filed with the minutes of the meetings of the Board.

### **4. Reporting to the Board**

Consistent with this charter, the Committee shall report regularly to the Board with respect to the Committee's activities and recommendations, including any issues that arise with respect to the quality or integrity of the Company's financial statements, compliance with legal or regulatory requirements, the performance and independence of the Company's independent auditor, or the performance of the internal audit function when required. The report to the Board may take the form of an oral report by the chairperson or any other member of the Committee designated by the Committee to make such report.

## **5. Authority to Retain Advisors**

The Committee shall have the authority, in its sole discretion, to retain or obtain the advice of independent legal counsel or other advisors as it determines necessary to carry out its duties. The Committee shall be directly responsible for the appointment, compensation, retention, and oversight of the work of such advisors, and the Company must provide for appropriate funding, as determined by the Committee, for payment of reasonable fees to any such advisor retained by the Committee. The Company will also provide for the payment of any administrative expenses of the Committee that are necessary or appropriate in carrying out its activities.

## **6. Access to Information**

The Committee may conduct or authorize investigations into or studies of matters within the Committee's scope of responsibility with full access to all books, records, facilities, and personnel of the Company.

## **7. Subcommittees**

The Committee may form subcommittees for any purpose that the Committee deems appropriate and may delegate power and authority to such subcommittees as the Committee deems appropriate, but only to the extent consistent with the Rules and other applicable laws. Each designated subcommittee shall establish its own schedule and maintain written minutes of its meetings, which shall be filed with the minutes of the meetings of the Board. The Committee shall not delegate to a subcommittee any power or authority required by law, regulation, or listing standard to be exercised by the Committee as a whole.

## **8. Compensation**

Members of the Committee shall receive such fees, if any, for their service as Committee members, as determined by the Board in its sole discretion. Members of the Committee may not receive any compensation from the Company except the fees that they receive for service as a member of the Board or any committee thereof.

## **9. Website Posting**

The Committee's charter shall be made available on the Company's website.

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The Board has formed the Committee to assist the Board in directing the Company's affairs, and this charter has been adopted in furtherance of this purpose. While this charter should be interpreted in the context of all applicable laws, regulations, and listing requirements, as well as in the context of the Company's certificate of incorporation and bylaws, it is not intended to establish by its own force any legally binding obligations.