

## **Audit Committee Charter**

**(to be effective upon the closing of the Company's initial public offering)**

### **PURPOSE**

The Audit Committee (the "Committee") is appointed by the Board of Directors (the "Board") of Semler Scientific, Inc. (the "Company") to oversee the accounting and financial reporting processes and the audits of the Company's financial statements. In that regard, the Committee assists the Board in monitoring the integrity of the financial statements of the Company, the independent auditor's qualifications and independence, the performance of the Company's independent auditors, and the compliance by the Company with legal and regulatory requirements.

While the Committee has the responsibilities 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 and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the independent auditor.

### **MEMBERSHIP**

The members of the Committee shall be appointed by the Board on the recommendation of the Nominating Committee. One member of the Committee shall be appointed as Committee Chairman by the Board. Committee members may be replaced by the Board.

The Committee shall consist of no fewer than three members. Each member of the Committee shall meet the independence and experience requirements of The NASDAQ Stock Market ("NASDAQ") and the Securities Exchange Act of 1934, as amended (the "Exchange Act"). However, the Committee may rely upon any cure period or other exception available under NASDAQ or Securities and Exchange Commission ("SEC") rules.

All members of the Committee shall be able to read and understand fundamental financial statements. No member of the Committee shall have participated in the preparation of the financial statements of the Company in the past three years.

At least one member of the Committee shall be an "audit committee financial expert" as defined by SEC rules and shall meet any NASDAQ requirement for finance, accounting, or comparable experience or background.

### **MEETINGS**

The Committee shall meet as often as it determines necessary, but not less frequently than quarterly. The Committee shall meet periodically in separate executive sessions with management and the independent auditor, and have such other direct and independent interaction with such persons from time to time as the members of the Committee deem appropriate. The Committee may request any officer or employee of the Company or the Company's outside counsel or independent auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

The Committee Chairman shall preside at each meeting. In the event the Committee Chairman is not present at a meeting, the Committee members present at that meeting shall designate one of its members as the acting chair of such meeting.

### **RESPONSIBILITIES AND AUTHORITY**

A. The Committee shall have the sole authority to appoint, determine funding for, and oversee the outside auditors (subject, if applicable, to stockholder ratification). The Committee shall be directly responsible for the compensation and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The independent auditor shall report directly to the Committee.

B. The Committee shall preapprove all auditing services, internal control-related services and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by the independent auditor, subject to the *de minimis* exception for non-audit services described in Section 10A(i)(1)(B) of the Exchange Act that are approved by the Committee prior to the completion of the audit. The Committee shall review and discuss with the independent auditor any

documentation supplied by the independent auditor as to the nature and scope of any tax services to be approved, as well as the potential effects of the provision of such services on the auditor's independence. The Committee may form and delegate authority to subcommittees consisting of one or more members when appropriate, including the authority to grant preapprovals of audit and permitted non-audit services, provided that decisions of such subcommittee to grant preapprovals shall be presented to the full Committee at its next scheduled meeting.

C. The Committee shall have the authority, to the extent it deems necessary or appropriate, to engage and determine funding for independent legal, accounting or other advisors. The Company shall provide appropriate funding, as determined by the Committee, for payment of compensation to the independent auditor for the purpose of rendering or issuing an audit report or performing other audit, review or attest services for the Company and to any advisors employed by the Committee, as well as funding for the payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

D. The Committee shall prepare the report required by SEC rules to be included in the Company's annual proxy statement.

E. The Committee shall make regular reports to the Board.

F. The Committee shall review and reassess on an annual basis the adequacy of this Charter and recommend any proposed changes to the Board for approval.

G. The Committee shall review its performance on an annual basis if required under NASDAQ rules or otherwise at the Committee's discretion.

H. The Committee, to the extent it deems necessary or appropriate, shall:

#### **Financial Statement and Disclosure Matters**

1. Review and discuss with management and the independent auditor the annual audited financial statements, including disclosures made in management's discussion and analysis, and recommend to the Board whether the audited financial statements should be included in the Company's annual report Form 10-K.

2. Review and discuss with management and the independent auditor the Company's quarterly financial statements prior to the filing of its quarterly report on Form 10-Q, including the results of the independent auditor's review of the quarterly financial statements.

3. Discuss with management and the independent auditor significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies.

4. Review and discuss with management and the independent auditor any major issues as to the adequacy of the Company's internal controls, any special steps adopted in light of material control deficiencies and the adequacy of disclosures about changes in internal control over financial reporting.

5. Review and discuss with management and the independent auditor the Company's internal controls report and the independent auditor's attestation report, if required to be included in the Company's annual report on Form 10-K, prior to the filing of the Company's annual report on Form 10-K.

6. Review and discuss quarterly reports from the independent auditors on:

(a) all critical accounting policies and practices to be used;

(b) all alternative treatments of financial information within generally accepted accounting principles 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

(c) other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.

7. Discuss with management the Company's earnings press releases, including the use of "pro forma" or "adjusted" non-GAAP information, as well as financial information and earnings guidance provided to analysts and rating agencies. Such discussion may be done generally (consisting of discussing the types of information to be disclosed and the types of presentations to be made).

8. Discuss with management and the independent auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.

9. Discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.

10. Discuss with the independent auditor the matters required to be discussed by PCAOB Auditing Standard No. 16 relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.

11. Review disclosures made to the Committee by the Company's principal executive officer and principal financial officer during their certification process for the Company's annual report on Form 10-K and quarterly reports on Form 10-Q about any significant deficiencies in the design or operation of internal controls or material weaknesses therein, and any fraud involving management or other employees who have a significant role in the Company's internal controls.

12. Ensure that a public announcement of the Company's receipt of an audit opinion that contains a going concern qualification is made promptly.

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

13. Review and evaluate the lead partner of the independent auditor team.

14. Obtain and review a report from the independent auditor at least annually regarding (a) the independent auditor's internal quality-control procedures, (b) 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 respecting one or more independent audits carried out by the independent auditor and (c) any steps taken to deal with any such issues. Evaluate the qualifications, performance and independence of the independent auditor, including considering whether the independent auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence, and taking into account the opinions of management. The Committee shall present its conclusions with respect to the independent auditor to the Board.

15. Obtain from the independent auditor a formal written statement delineating all relationships between the independent auditor and the Company. It is the responsibility of the Committee to actively engage in a dialogue with the independent auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent auditor and for purposes of taking, or recommending that the full Board take, appropriate action to oversee the independence of the outside auditor.

16. Ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law. Consider whether, in order to assure continuing auditor independence, it is appropriate to adopt a policy of rotating the independent auditor on a regular basis.

17. Recommend to the Board policies for the Company's hiring of employees or former employees of the independent auditor.

18. Meet with the independent auditor prior to the audit to discuss the planning and staffing of the audit.

### **Oversight of the Company's Internal Audit Function**

19. Review the appointment and replacement of the senior internal auditing executive.

20. Review the significant reports to management prepared by the internal auditing department and management's responses.

21. Discuss with the independent auditor and management the internal audit department responsibilities, budget and staffing, and any recommended changes in the planned scope of the internal audit.

### **Compliance Oversight Responsibilities**

22. Obtain from the independent auditor assurance that Section 10A(b) of the Exchange Act has not been implicated.

23. Obtain reports from management, the Company's independent auditor that the Company and its affiliated entities are in conformity with applicable legal requirements and the Company's Code of Business Conduct and Ethics. Advise the Board with respect to the Company's policies and procedures regarding compliance with applicable laws and regulations and with the Company's Code of Business Conduct and Ethics.

24. Review and oversee all related-party transactions in accordance with the Company's policies and procedures with respect to Related Person Transactions.

25. Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

26. Discuss with management and the independent auditor any correspondence with regulators or governmental agencies and any published reports that raise material issues regarding the Company's financial statements or accounting policies.

27. Discuss with the management any legal matters that may have a material impact on the financial statements or the Company's compliance policies.