

**SUNESIS PHARMACEUTICALS, INC.**

**Charter of the Audit Committee  
Of The Board of Directors**

**I. Purpose**

The Audit Committee (“Committee”) of the Board of Directors (“Board”) of Sunesis Pharmaceuticals, Inc. (“Company”) is appointed by and acts on behalf of the Board with regard to the matters set forth below. The Committee’s purposes shall be:

- A. To oversee the accounting and financial reporting processes of the Company and the audits of the financial statements of the Company;
- B. To assist the Board in its oversight of the integrity of the Company’s financial statements, the effectiveness of the Company’s internal control over financial reporting, and the Company’s compliance with legal and regulatory requirements;
- C. To interact directly with and evaluate the performance of the Company’s independent registered public accounting firm (the “Auditors”), including to determine whether to engage or dismiss the Auditors and to monitor the Auditors’ qualifications and independence; and
- D. To prepare the report required by the rules of the Securities and Exchange Commission (the “SEC”) to be included in the Company’s proxy statement.

The approval of this Charter by the Board shall be construed as a delegation of authority to the Committee with respect to the responsibilities set forth herein.

**II. Membership**

The Committee shall be composed of at least three directors, each of who must be independent. The members of the Committee shall satisfy the independence and experience requirements, including the financial literacy and expertise requirements, as in effect from time to time, when and as required by the SEC, The Nasdaq Stock Market and the Financial Industry Regulatory Authority (“FINRA”).

All members of the Committee must be able to read and understand fundamental financial statements, including a company's balance sheet, income statement, and cash flow statement. In accordance with rules and regulations of The Nasdaq Stock Market in effect from time to time, at least one member shall have past employment experience in finance or accounting, professional certification in accounting, or any other comparable experience or background which results in the individual's financial sophistication, including being or having been a chief executive officer, chief financial officer, or other senior officer with financial oversight responsibilities. To the extent possible, at least one member of the Committee shall be a “audit committee financial expert” as that term is defined by the SEC, or the Company shall disclose in its periodic reports pursuant to the Securities Exchange Act of 1934, as amended (“Exchange Act”) the reasons why at least one member of the Committee is not an “audit committee financial expert”.

The members of the Committee shall serve until their resignation, death, or removal by the Board. The Board shall have the power at any time to change the membership of and fill

vacancies in the Committee, consistent with this Charter and subject to the satisfaction of such new member(s) of the membership requirements.

### **III. Meetings and Procedures**

The Committee shall meet as often as it may deem necessary and appropriate in its judgment, either in person or telephonically. A majority of the members of the Committee shall constitute a quorum.

The Committee shall have full access to all books, records, facilities and personnel of the Company as deemed necessary or appropriate by any member of the Committee to discharge his or her responsibilities hereunder. The Committee shall have authority to require that any of the Company's personnel, counsel, accountants (including the Auditors) or investment bankers, or any other consultant or advisor to the Company attend any meeting of the Committee or meet with any member of the Committee or any of its special, outside legal, accounting or other, advisors or consultants.

The Committee shall meet separately with the Auditors, the senior personnel performing the Company's internal audit function, and management, as often as it deems necessary and appropriate in its judgment.

The Committee may delegate authority to a subcommittee or to one or more members of the Committee when appropriate, but no such delegation shall be permitted if the authority is required by a law, regulation or listing standard to be exercised by the Committee as a whole. The Committee may request that any directors, officers, or employees of the Company, or other persons whose advice and counsel are sought by the Committee, attend any meeting to provide such information as the Committee requests. The Committee also may exclude from its meetings any persons it deems appropriate, including but not limited to, any non-management director that is not a member of the Committee.

Written minutes of all meetings, including telephone meetings, and copies of all consents in lieu of meeting shall be maintained with the books and records of the Company and furnished to members of the Committee, the Board and the Secretary of the Company.

The Committee shall report to the full Board on the matters discussed at each meeting of the Committee, including describing all actions taken by the Committee at the meeting.

The Committee shall have the authority to obtain advice and assistance from internal and external legal, accounting, and other advisors. The Company shall provide appropriate funding, as determined by the Committee, to pay for such services and to pay for ordinary administrative expenses of the Committee.

### **IV. Duties and Responsibilities**

Although the Committee has the powers and responsibilities set forth in this Charter, the role of the Committee is oversight. The members of the Committee may or may not be accountants or auditors by profession or experts in the fields of accounting or auditing and, in any event, do not serve in such capacity. Consequently, it is not the duty of the Committee to conduct audits, to

independently verify management's representations, or to determine that the Company's financial statements are complete and accurate, are prepared in accordance with generally accepted accounting principles in the United States ("GAAP"), or fairly present the financial condition, results of operations, and cash flows of the Company in accordance with GAAP. These are the responsibilities of management and the Auditors. The Committee's considerations and discussions with management and the Auditors do not ensure that the Company's financial statements are presented in accordance with GAAP, that the audit of the Company's financial statements has been carried out in accordance with GAAP, or that the Company's Auditors are in fact "independent."

A. *Financial Reporting Process*

The Committee shall be responsible for the following:

- To review with management and the Auditors the results of the annual audit, including the Auditors' assessment of the quality, not just acceptability, of accounting principles, the reasonableness of significant judgments and estimates (including material changes in estimates), the qualitative aspects of the Company's significant accounting practices, any material audit adjustments proposed by the Auditors and any adjustments proposed but not recorded, the adequacy of the disclosures in the financial statements, all known or likely misstatements identified during the audit (other than those the Auditors believe to be trivial), the adequacy of the disclosures in the financial statements and any other matters required to be communicated to the Committee by the Auditors under the standards of the Public Company Accounting Oversight Board (United States), as appropriate;
- To review with management and the Auditors, as appropriate, the results of the Auditors' review of the Company's quarterly financial statements, prior to public disclosure of quarterly financial information, if practicable, or filing with the Securities and Exchange Commission of the Company's Quarterly Report on Form 10-Q, and any other matters required to be communicated to the Committee by the Auditors under standards of the Public Company Accounting Oversight Board (United States);
- To review the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's periodic reports to be filed with the SEC;
- To review with management and the Auditors, as appropriate, earnings press releases, as well as the substance of financial information and earnings guidance provided to analysts and ratings agencies, which discussions may be general discussions of the type of information to be disclosed or the type of presentation to be made and the Chair of the Committee may represent the entire Committee for purposes of this discussion;
- To review with the Auditors, as appropriate, communications between the audit team and the firm's national office with respect to accounting or auditing issues presented by the engagement; and
- To review with counsel, the Auditors and management, as appropriate, any significant regulatory or other legal or accounting initiatives or matters that may have a material impact on the Company's financial statements, compliance programs and policies, if, in the judgment of the Committee, such review is necessary or appropriate.

The Committee shall review significant issues regarding accounting principles and financial statement presentations, including the following:

- any significant changes in the Company's selection or application of accounting principles, including critical accounting policies and practices, alternative accounting policies available under GAAP related to material items discussed with management and any other significant reporting issues and judgments;
- any significant issues as to the adequacy of internal controls and any special audit steps adopted in light of material control deficiencies;
- analyses prepared by management and/or the Auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of financial statements, including analysis of the effects of alternative GAAP methods on the financial statements;
- the effect of regulatory and accounting initiatives, as well as off-balance sheet arrangements, on the Company's financial statements;
- the use of pro forma or non-GAAP financial information; and
- any correspondence with regulators or government agencies and any published reports that raise material issues with respect to, or that could have a significant effect on, the Company's financial statements or accounting policies,

in each case, with management, the Auditors, and/or outside counsel, as appropriate, and, in the judgment of the Committee, such special counsel, separate accounting firm and other consultants and advisors as the Committee deems appropriate.

The Committee shall review, upon the completion of the audit, the financial statements proposed to be included in the Company's Annual Report on Form 10-K to be filed with the SEC and shall recommend to the Board whether or not the audited financial statements should be included in the Company's Annual Report on Form 10-K for the applicable fiscal year subject to the audit.

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

#### *B. Risks and Control Environment*

The Committee shall discuss with management the Company's policies and guidelines regarding risk assessment and risk management, including the risk of fraud, as well as the Company's major financial risk exposures and the steps that management has taken to monitor and control such exposures. The Committee shall confer with management and the Auditors, as appropriate, regarding the scope, adequacy and effectiveness of internal control over financial reporting, including any special audit steps taken in the event of material control deficiencies, responsibilities, budget and staff of the internal audit function, if any, and review of the appointment or replacement of the senior internal audit executive or manager, if any.

The Committee shall annually review the Company's policies and procedures regarding disclosures that may impact the financial statements and compliance with the Company's Code of Business Conduct and Ethics.

The Committee shall oversee the Company's disclosure controls and procedures, including internal control over financial reporting, and, where applicable, shall oversee changes in internal control over financial reporting intended to address any significant deficiencies or material weaknesses in the design or operation of internal control and any fraud involving management or other employees that is reported to the Committee, including the oversight and implementation of the Company's Complaint, Investigation and Whistleblower Policy as such policy relates to complaints regarding accounting, internal accounting controls, or auditing matters. In addition, the Committee shall review and discuss the annual report of management on the effectiveness of the Company's internal control over financial reporting and the Auditors' report on, and attestation of, such management report, to the extent those reports are required by SEC rules.

*C. Independent Registered Public Accounting Firm*

The Committee shall be directly responsible for the appointment, retention, oversight and evaluation of the work of the Auditors (including resolution of any conflicts or disagreements between the Company management and the Auditors regarding financial reporting) as set forth in Section 10A(m)(2) of the Securities Exchange Act of 1934, as amended, and the rules thereunder and otherwise to fulfill its responsibilities under this charter. The Auditors shall report directly to the Committee. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to the Auditors and special legal, accounting or other advisors or consultants as it deems necessary or appropriate in the performance of its duties.

The Committee shall review and approve in advance the retention of the Auditors for the performance of all audit and non-audit services, and any other independent registered public accounting firm for the performance of audit services, including any review or attest services, insofar as not prohibited by applicable law, and the fees for such services. As the Committee deems appropriate, the Committee may establish policies for pre-approval of such audit and non-audit services, including policies for delegating authority to a member of the Committee. Any service that is approved pursuant to a delegation of authority to a member of the Committee must be reported to the full Committee at a subsequent meeting.

Prior to initiation of the audit, the Committee shall meet with the Auditors to discuss the planning and staffing of the audit, including the impact of applicable rotation requirements and other independence rules on the staffing.

The Committee shall, at least annually, obtain and review a report by the Auditors describing: (1) the Auditors' internal quality-control procedures; (2) any material issues raised by the most recent internal quality-control review, or peer review, of the auditing firm, or by any inquiry or investigation by governmental or professional authorities or a private sector regulatory board, within the preceding five years, respecting one or more independent audits performed by the auditing firm, and any steps taken to deal with any such issues; and (3) in order to assess the firm's independence, all relationships between the auditing firm and the Company, consistent

with Ethics and Independence Rule 3526, Communication with Audit Committees Concerning Independence (“Rule 3526”) of the Public Company Accounting Oversight Board (United States). The Committee shall actively engage in a dialogue with the Auditors with respect to any disclosed relationships, compensation or services that, in the view of the Committee, may impact the objectivity and independence of the Auditors. If the Committee determines that further inquiry is advisable, the Committee shall take appropriate action in response to the Auditors’ report to satisfy itself of the Auditors’ independence.

Prior to engagement of any prospective Auditors, to review a written disclosure by the prospective Auditors of all relationships between the prospective Auditors, or their affiliates, and the Company, or persons in financial oversight roles at the Company, that may reasonably be thought to bear on independence, and to discuss with the prospective Auditors the potential effects of such relationships on the independence of the prospective Auditors, consistent with Ethics and Independence Rule 3526.

The Committee shall, if applicable, consider whether the Auditors’ provision of any permitted information technology services or other non-audit services to the Company is compatible with maintaining the independence of the Auditors.

The Committee shall discuss with the Auditors the reports that such Auditors are required to make to the Committee regarding: (1) all accounting policies and practices to be used that the Auditors identify as critical; (2) all alternative treatments within GAAP for policies and practices related to material items that have been discussed among management and the Auditor, including the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the Auditors; and (3) all other material written communications between the Auditors and management of the Company, such as any management letter, reports on observations and recommendations on internal controls, Auditor's engagement letter, schedule of unadjusted audit differences, and a listing, if any, of adjustments and reclassifications not recorded.

The Committee shall discuss with the Auditors any audit problems or difficulties, whether or not resolved, regarding financial reporting, accounting practices or policies or other matters, that individually or in the aggregate could be significant to the Company’s financial statements or Auditor’s report, including any restrictions on the scope of the Auditors’ activities or on access to requested information, management’s response to same, and any other matters required to be brought to its attention under applicable auditing standards, and shall resolve any disagreements between the Auditors and management.

After reviewing the reports from the Auditors and the Auditors’ work throughout the audit period, the Committee will conduct an annual evaluation of the Auditors’ performance and their independence, including considering whether the Auditors’ quality controls are adequate and whether to retain, or to terminate, the engagement of the existing Auditors, or to appoint and engage a different independent registered public accounting firm. This evaluation also shall include the review and evaluation of the audit engagement team, including the lead audit partner, the Auditors’ quality control procedures and the Auditors’ self-evaluation. In making its evaluation, the Committee shall take into account the opinions of management and the senior

personnel performing the Company's internal audit function. The Committee shall present its conclusions with respect to the evaluation of the Auditors to the Board.

The Committee shall set clear policies for the hiring by the Company of employees or former employees of the Auditors as required by applicable laws and rules. The Committee shall monitor the rotation of the partners of the Auditors on the Company's audit engagement team as required by applicable laws and rules and shall consider periodically and, if deemed appropriate, adopt a policy regarding rotation of auditing firms. The Committee shall confirm with the Auditors that the Auditors are in compliance with the partner rotation requirements established by the SEC.

The Company shall evaluate the cooperation received by the Auditors during their audit examination, including any significant difficulties with the audit or any restrictions on the scope of their activities or access to required records, data and information, significant disagreements with management and management's response, if any.

#### *D. Evaluations and Reports*

The Committee shall evaluate the Committee's own performance on an annual basis, including its compliance with this Charter, and provide any written material with respect to such evaluation to the Board, including any recommendations for changes in procedures or policies governing the Committee. The Committee shall conduct such evaluation and review in such manner as it deems appropriate.

The Committee shall make regular reports to the Board on its activities, including reviewing any issues that arise respecting the quality and integrity of the Company's public reporting, the Company's compliance with legal and regulatory requirements, the performance and independence of the Company's Auditors, the performance of the Company's internal audit function, and the effectiveness of the Company's disclosure controls and procedures.

#### *E. Other Matters*

The Committee shall review, oversee, discuss with management the business rationale and appropriate disclosure for, and have the authority to approve all related-party transactions.

The Committee shall establish procedures for, when and as required by applicable laws and rules, (1) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and (2) the confidential, anonymous submission by Company employees of concerns regarding questionable accounting or auditing matters.

The Committee shall investigate any matter brought to the attention of the Committee within the scope of its duties if, in the judgment of the Committee, such investigation is necessary or appropriate.

The Committee shall review and reassess this Charter at least annually and recommend any proposed changes to the Board for its approval.

The Committee shall maintain free and open communication with the Board, management, the internal auditors, and the Auditors.

The Committee shall perform such other functions and have such powers as may be necessary or appropriate in the efficient and lawful discharge of the foregoing.