

JAGUAR ANIMAL HEALTH, INC.

AUDIT COMMITTEE CHARTER

A. Purpose

The Audit Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) of Jaguar Animal Health, 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.

B. Membership

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

The Committee shall consist of no fewer than three members, each of whom shall meet independence and experience requirements of the rules of the NASDAQ Stock Market (“NASDAQ”) and Securities Exchange Act of 1934, as amended. 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 preceding 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.

C. Responsibilities and Authority

Oversight of Independent Auditor

1. *Selection.* The Committee shall be solely and directly responsible for appointing, evaluating, retaining and, when necessary, terminating the engagement of the independent

auditor. The Committee may, in its discretion, seek stockholder ratification of the independent auditor it appoints.

2. *Compensation.* The Committee shall have sole and direct responsibility for setting the compensation of the independent auditor. The Committee is empowered, without further action by the Board, to cause the Company to pay the compensation of the independent auditor established by the Committee.

3. *Independence.* The Committee shall take, or recommend that the full Board take, appropriate action to oversee the independence of the independent auditor. In connection with this responsibility, the Committee shall obtain and review the written disclosures and the letter from the independent auditor required by applicable requirements of the Public Company Accounting Oversight Board (the "PCAOB") regarding the independent auditor's communications with the Committee concerning independence. The Committee shall actively engage in dialogue with the independent auditor concerning any disclosed relationships or services that might impact the objectivity and independence of the auditor.

4. *Pre-approval of Services.* The Committee shall pre-approve all audit services to be provided to the Company, whether provided by the independent auditor or other firms, and all other services (review, attest and non-audit) to be provided to the Company by the independent auditor; provided, however, that *de minimis* non-audit services may instead be approved in accordance with applicable SEC rules.

5. *Oversight.* The independent auditor shall report directly to the Committee, and the Committee shall have sole and direct responsibility for overseeing the work of the independent auditor, including resolution of disagreements between the Company's management and the independent auditor regarding financial reporting. In connection with its oversight role, the Committee shall, from time to time as appropriate, receive and consider the reports and other communications required to be made by the independent auditor regarding:

- critical accounting policies and practices;
- alternative treatments within generally accepted accounting principles for policies and practices related to material items that have been discussed with the Company's management, including ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor;
- other material written communications between the independent auditor and the Company's management; and
- the other matters addressed in PCAOB Auditing Standard No. 16, Communications with Audit Committees.

6. *PCAOB Inspections.* The Committee shall request the independent auditor to provide relevant information about inspections of the firm by the PCAOB, including the following:

- whether any audit overseen by the Committee is selected by the PCAOB for an inspection and, if so, the findings of the inspection;
- whether the PCAOB's inspection of other audits performed by the firm raised auditing or accounting issues similar to those presented in the Company's audit;
- the firm's response to PCAOB findings; and
- the firm's remedial efforts in light of any quality control deficiencies that may have been identified by the PCAOB.

7. *Policy on Hiring Employees of the Independent Auditor.* The Committee shall, from time to time, establish hiring policies that will govern the Company's hiring of employees or former employees of the independent auditor.

Financial Reporting

8. *Review and Discussion.* As often and to the extent the Committee deems necessary or appropriate, but at least quarterly in connection with the review of each fiscal quarter and year-end financial statements, the Committee shall (i) review and discuss, with appropriate members of the Company's management and the independent auditor, the financial statements of the Company, including the results of the audit or review by the independent auditor of such financial statements and the specific disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's Annual Report on Form 10-K or Quarterly Report on Form 10-Q, and (ii) review and discuss with the Company's management and, if appropriate, the independent auditor, significant matters relating to:

- the quality and acceptability of the accounting principles applied in the financial statements;
- new or changed accounting policies, and significant estimates, judgments, uncertainties or unusual transactions;
- the selection, application and effects of critical accounting policies and estimates applied by the Company; and
- any off-balance sheet transactions and relationships with any unconsolidated entities or any other persons that may have a current or future material effect on the financial condition or results of the company and are required to be reported under SEC rules.

9. *Recommendation to the Board Regarding Financial Statements.* The Committee shall consider whether it will recommend to the Board that the Company's audited financial statements be included in the Company's Annual Report on Form 10-K.

10. *Audit Committee Report.* The Committee shall prepare an annual Audit Committee Report as required to be included in the Company's Annual Report on Form 10-K or proxy statement.

Controls and Procedures

11. *Oversight.* The Committee shall coordinate the Board's oversight of the Company's internal control over financial reporting, disclosure controls and procedures and code of conduct.

12. *Risk Oversight.* The Committee shall discuss with management and oversee 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.

13. *Procedures for Complaints.* The Committee shall 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.

14. *Related Person Transactions.* The Committee shall review the Company's policies and procedures for reviewing and approving or ratifying "related person transactions" (defined as transactions required to be disclosed pursuant to Item 404 of Regulation S-K), including the Related Person Transactions Policy adopted by the Company, and recommend any changes to the Board. The Committee is authorized to determine whether to approve or ratify any related person transaction in accordance with the Related Person Transactions Policy.

Additional Duties

15. *Additional Duties.* The Committee shall have such other duties as may be delegated from time to time by the Board.

D. Procedures and Administration

1. *Meetings.* The Committee shall meet as often as necessary to carry out its responsibilities, 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 Chairperson shall preside at each meeting. In the event the Committee Chairperson is not present at a meeting, the Committee members present at that meeting shall designate one of its members as the acting Chairperson of such meeting.

2. *Subcommittees.* The Committee may form and delegate authority to one or more subcommittees as it deems appropriate.

3. *Reports to the Board.* The Committee shall report regularly to the Board.

4. *Charter.* At least annually, the Committee shall review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval.

5. *Self-Evaluation.* The Committee shall periodically evaluate its own performance and report to the Board on that self-evaluation.

6. *Independent Advisors.* The Committee is authorized, without further action by the Board, to engage such independent legal and other advisors as it deems necessary or appropriate to carry out its responsibilities. Such independent advisors may be the regular advisors to the Company. The Committee is empowered, without further action by the Board, to cause the Company to pay the compensation of such advisors as established by the Committee.

7. *Investigations.* The Committee shall have the authority to conduct or authorize investigations into any matters within the scope of its responsibilities as it deems appropriate, including the authority to request any officer, employee or advisor of the Company to meet with the Committee or any advisors engaged by the Committee.