

GENVEC, INC.

Audit Committee Charter

Status

The Audit Committee (the “Committee”) is a committee of the Board of Directors (the “Board”) of GenVec, Inc. (the “Company”).

The members of the Committee shall be elected by the Board annually, upon the recommendation of the Board’s Nominating and Corporate Governance Committee, and shall serve until their successors have been duly elected and qualified. Unless a chair of the Committee is elected by the full Board (a “Chair”), the members of the Committee may designate a Chair by majority vote of the full Committee membership.

The Committee shall meet at least four times each year and at such other times as it deems necessary to fulfill its responsibilities.

The Committee may form and delegate authority to a subcommittee consisting of one or more members of the Committee to perform the functions of the Committee, including the authority to grant pre-approvals of audit and permitted non-audit services, provided that decisions of such subcommittee to grant pre-approvals shall be presented to the full Committee at its next scheduled meeting. The Chair may represent the entire Committee, as a subcommittee, with respect to functions of the Committee undertaken between meetings.

This charter governs the operations of the Committee. The Committee shall review and reassess its charter at least annually and obtain the approval of the Board of Directors of any proposed changes in compliance with applicable rules and requirements of Nasdaq, the Securities and Exchange Commission (the “SEC”), and any other applicable body (collectively, the “Applicable Rules”).

Membership

The Committee shall be comprised of at least three directors. The membership of the Committee shall satisfy the independence and other requirements set forth from time-to-time in the Applicable Rules. All of the members of the Committee shall be able to read and understand fundamental financial statements and one member of the Committee shall be an audit committee financial expert.

Purposes

The Committee’s primary purposes are to oversee the following:

- management’s preparation of the Company’s financial statements and management’s conduct of the accounting and financial reporting processes;

- management's maintenance of internal controls and procedures for financial reporting;
- the Company's compliance with applicable legal and regulatory requirements, including without limitation those requirements relating to financial controls and reporting;
- the independent auditor's qualifications and independence; and
- the performance of the independent auditors, including the annual independent audit of the Company's financial statements.

In carrying out its purposes, there shall be free and open communication between the Committee, independent auditors, and management of the Company.

Responsibilities - General

The Committee in carrying out its responsibilities believes its policies and procedures should remain flexible, in order to best react to changing conditions and circumstances. The following shall be the principal responsibilities and recurring processes of the Committee in carrying out its oversight responsibilities. These responsibilities are set forth as a guide with the understanding that the Committee may supplement them as appropriate.

The Committee periodically shall meet separately with management and with the Company's independent auditors.

Annually, the Committee shall review and may recommend for stockholder ratification the selection of the Company's independent auditors.

The Committee shall pre-approve all audit and permitted non-audit services provided by the independent auditors.

The Committee shall establish and maintain procedures for (i) receiving, retaining and addressing complaints regarding the Company's accounting, internal controls or auditing matters and (ii) the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters, in accordance with the Applicable Rules. The Committee shall advise the Board with respect to the Company's policies and procedures regarding compliance with the Company's Code of Business Conduct and Ethics.

The Committee will have responsibility for reviewing and approving all proposed related party transactions as requested by Nasdaq listing requirement 4350 (h).

Responsibilities – SEC Reports

- ***Periodic Reviews.*** Prior to the filing of the Company’s Quarterly Reports on Form 10-Q, the Committee shall review with management and the independent auditors the interim financial statements and other information to be included in the Form 10-Q, including the Company’s disclosures under “Management’s Discussion and Analysis of Financial Condition and Results of Operations” (“MD&A”). Also, the Committee shall discuss the results of the quarterly review and any other matters required to be communicated to the Committee by the independent auditors under generally accepted auditing standards.
- ***Annual Reviews.*** The Committee shall review with management and the independent auditors the financial statements and other financial information, including the Company’s disclosure under MD&A, to be included in the Company’s Annual Report on Form 10-K (or the annual report to shareholders if distributed prior to the filing of the Form 10-K). Also, the Committee shall discuss the results of the annual audit and any other matters required to be communicated to the Committee by the independent auditors under generally accepted auditing standards. Based on the review and discussions described above, the Committee shall recommend to the Board of Directors whether the financial statements should be included in the Annual Report on Form 10-K. The Committee shall prepare the Audit Committee Report to be included in the Company’s proxy statements when and as required by the Applicable Rules.

Management / Independent Auditor Responsibilities

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 are complete and accurate and are in accordance with generally accepted accounting principles. Management is responsible for preparing the Company’s financial statements and for maintaining internal controls and procedures for financial reporting, and the independent auditors are responsible for auditing those financial statements. In performing their duties and responsibilities, each member of the Committee is entitled to rely in good faith upon the records of the Company and upon information, opinions, reports or statements presented by any of the Company’s officers or employees, or other committees of the Board, or by any other person as to matters the member reasonably believes are within such other person’s professional or expert competence and who has been selected with reasonable care by or on behalf of the Company.

Relationship with Independent Auditors.

The independent auditors shall report directly and are ultimately accountable to the Committee in its capacity as a committee of the Board. The Committee shall have sole authority and responsibility to appoint, compensate, oversee, evaluate and, where appropriate, replace the independent auditors. The Committee shall discuss with the

auditors their independence from management and the Company and the matters included in the written disclosures required by the Independence Standards Board.

Annually, the Committee shall obtain from the independent auditors a formal written statement delineating all relationships between the independent auditors and the Company consistent with Independence Standards Board Standard 1, discuss with the independent auditors any such disclosed relationships and their impact on the independent auditors' independence, and take or recommend that the Board take appropriate action regarding the independence of the independent auditors.

Report

The Chair shall report to the Board at least quarterly, describing the actions taken by the Committee since the Chair's last report to the Board. The Committee shall maintain minutes or other records of Committee meetings and activities.

Other

In discharging its oversight role, the Committee is empowered to investigate or conduct an audit of any matter brought to its attention with full access to all books, records, facilities, and personnel of the Company. All employees will be directed to cooperate with respect thereto as requested by members of the Committee. The Committee shall also have the authority to engage and determine funding for independent counsel and other advisors, as it determines necessary to carry out its duties.