



Amended And Restated Charter of The Audit Committee of The Board Of Directors

As adopted by the Audit Committee of the Board of Directors on May 4, 2007

The Board of Directors (the "Board") of IMUNON (the "Company") has determined that the Audit Committee of the Board shall assist the Board in fulfilling certain of the Board's oversight responsibilities and consequently has adopted a charter to establish the governing principles of the Audit Committee. The Board hereby adopts this amended and restated charter (the "Charter") to revise and update the governing principles of the Audit Committee.

I. ROLE OF THE AUDIT COMMITTEE

The role of the Audit Committee is to act on behalf of the Board in fulfilling the following responsibilities of the Board:

- A. To oversee all material aspects of the Company's financial reporting, audit functions and control, including, without limitation, internal control, financial control and reporting control, except those that are specifically related to the responsibilities of another committee of the Board;
- B. To monitor and evaluate the independence and performance of the Company's independent registered public accounting firm ("Independent Accountants") and the performance of such other accountants as may be retained from time to time to perform non-audit functions on behalf of the Company; and
- C. To provide a means for open communication among the Company's Independent Accountants, financial and senior management, the internal audit department (if any) and the Board.

II. COMPOSITION AND OPERATION OF THE AUDIT COMMITTEE

- A. The Board shall appoint the members of the Audit Committee at the Board's annual organizational meeting or, if such action is not taken at such annual organizational meeting, then as soon as practicable thereafter, by majority vote of the directors present at a meeting of the Board at which a quorum is present, or by unanimous written consent of the entire Board of Directors, and each member of the Audit Committee shall serve until his or her successor is duly elected by the Board at the next such annual meeting or thereafter or until such member's earlier death, resignation or removal. Any member of the Audit Committee may be removed, with or without cause, by a majority vote of the directors present at a meeting of the Board at which a quorum is present, or by unanimous written consent of the entire Board of Directors.
- B. The Audit Committee shall consist of at least three members but not more than six members, each of whom is independent of management and the Company. Members of the Audit Committee shall be considered independent if they meet the independence requirements of the rules The American Stock Exchange (the "Exchange Rules"), Section 10A of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and the rules and regulations of the Securities and Exchange Commission (the "SEC Rules"). Except as the Board otherwise may permit in a particular case by means of a vote of the majority of the disinterested members thereof, no Audit Committee member shall simultaneously serve on the audit committees of more than two other companies subject to the periodic reporting requirements of the Exchange Act.
- C. Each member of the Audit Committee shall meet the requirements of the Exchange Rules. Without limiting the generality of the foregoing, Audit Committee members shall have a basic understanding of finance and accounting and shall be able to read and understand fundamental financial statements, including a balance sheet, income statement, and cash flow statement, and shall not have participated in the preparation of the Company's financial statements or any current subsidiary thereof at any time during the three years prior to his or her appointment to, and while serving on, the Audit Committee.



- D. At least one member of the Audit Committee shall have (i) accounting or related financial management experience; (ii) requisite professional certification in accounting; or (iii) any other comparable experience or background which results in the individual's financial sophistication, including, but not limited to, being or having been a chief executive officer, chief financial officer, other senior officer with financial oversight responsibilities, or an active participant on one or more public company audit committees, as required by the Exchange Rules. In addition, at least one member of the Audit Committee (which member can be the same member as described in the immediately preceding sentence) shall have (1) an understanding of generally accepted accounting principles and financial statements; (2) the ability to assess the general application of such principles in connection with the accounting for estimates, accruals and reserves; (3) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more persons engaged in such activities; (4) an understanding of internal controls and procedures for financial reporting; and (5) an understanding of audit committee functions (collectively, the "Required Financial Skills"). Such person shall have acquired the Required Financial Skills through any one or more of the following means: (I) education and experience as a principal financial officer, principal accounting officer, controller, public accountant or auditor or experience in one or more positions that involve the performance of similar functions; (II) experience actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor or person performing similar functions; (III) experience overseeing or assessing the performance of companies or public accountants with respect to the preparation, auditing or evaluation of financial statements; or (IV) other relevant experiences with respect to the preparation, auditing or evaluation of financial statements; or (V) other relevant experience.
- E. If a Chairperson has not been selected by the Board of Directors, the members of the Audit Committee shall designate a Chairperson by majority vote. The Chairperson shall preside at meetings of the Audit Committee at which he or she is present and shall set the agenda for each Audit Committee meeting. In the absence of the Chairperson, the members of the Audit Committee present at a meeting thereof may designate a Chairperson for such meeting. The Chairman of the Board of Directors or Chairperson of the Audit Committee, and each of them, may call meetings of the Audit Committee. Meetings of the Audit Committee also may be called by a majority of the directors constituting the whole Audit Committee and by such persons, or in such manner, as from time to time may be required by applicable Exchange Rules or SEC Rules. The Audit Committee shall cause to be made and shall retain complete and accurate minutes of its meetings and records of its other actions.
- F. Formal action to be taken by the Audit Committee shall be by unanimous written consent or by the affirmative vote of a majority of the Audit Committee members present (in person or by conference telephone or other electronic means) at a meeting at which a quorum is present. A majority of the authorized number of members of the Audit Committee, provided by the resolutions of the Board of Directors then in effect regarding the size of the Audit Committee, shall constitute a quorum for the transaction of business, except to adjourn as provided by Sections 4.2 and 3.11 of the Company's Bylaws.

III. MEETINGS OF THE AUDIT COMMITTEE

The Audit Committee shall meet at least four times annually, or more frequently as circumstances may require. The Chair of the Audit Committee shall be responsible for meeting with the Independent Accountants at their request to discuss the interim financial statements.

IV. RESPONSIBILITIES OF THE AUDIT COMMITTEE

The Audit Committee shall have the authority to act with respect to:



A. The Company's Risks and Control Environment:

- » To discuss with the Company's management, Independent Accountants and internal audit department the integrity of the Company's financial reporting processes and controls, particularly the controls in areas representing significant financial and business risks;
- » To review and update periodically a code of ethical conduct and review the Company's procedures to enforce compliance with the code; and
- » To investigate any matter brought to its attention within the scope of its duties.

B. The Company's Independent Accountants:

- » To evaluate annually the independence, effectiveness and objectivity of the Company's Independent Accountants and recommend to the Board the engagement or replacement of the Independent Accountants;
- » To ensure that the Audit Committee receives annually from the Company's Independent Accountants a formal written report describing completely the relationships between the Independent Accountants and the Company that the Independent Accountants are required to provide to the Audit Committee, to actively engage in a dialogue with the Independent Accountants about any relationships between the Independent Accountants and the Company or any services that the Independent Accountants provide or propose to provide that may impact upon the objectivity and independence of the Independent Accountants and to take, or recommend that the Board take, appropriate action to oversee the independence of the Independent Accountants;
- » To consider whether the provision of non-audit services by the Independent Accountants is compatible with maintaining the Independent Accountant's independence; and
- » To pre-approve all audit and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by the Independent Accountants, subject to the de minimis exceptions for non-audit services described in Section 10A (i)(1)(B) of the Exchange Act and SEC Rule 2-01(c)(7)(i)(C) of Regulation S-X, provided that all such excepted services are subsequently approved by the Audit Committee prior to the completion of the audit. In the event pre-approval for such auditing services and permitted non-audit services cannot be obtained as a result of inherent time constraints in the matter for which such services are required, the Chairperson of the Audit Committee shall have the authority to pre-approve such services, provided that the estimated cost of such services on each such occasion does not exceed \$10,000, and the Chairperson of the Audit Committee reports for ratification such pre-approval to the Audit Committee at its next scheduled meeting.

C. The Company's Financial Reporting Process:

- » To directly oversee the Company's selection of and major changes to its accounting policies and any accountant engaged by the Company;
- » To meet with the Company's Independent Accountants and financial management both to discuss the proposed scope of the audit and to discuss the conclusions of the audit, including any items that the Independent Accountants are required by auditing standards to discuss with the Audit Committee, such as, any significant changes to the Company's accounting policies, the integrity of the Company's financial reporting process and any proposed changes or improvements in financial, accounting or auditing



practices;

- » To oversee and facilitate the resolution of any disagreements between management and the Independent Accountants over financial reporting;
- » To discuss with the Company's financial management and Independent Accountants the Company's annual results and, when appropriate, the interim results before they are made public;
- » To review and discuss with the Company's financial management and Independent Accountants the Company's audited financial statements and, when appropriate, the Company's interim financial statements, before they are made public; and
- » To issue for public disclosure by the Company the report required by the rules of SEC.

D. The Company's Internal Audit Process:

- » To review, assess and approve the charter for the internal audit department;
- » To review and approve the annual internal audit plan of, and any special projects to be undertaken by, the internal audit department;
- » To discuss with the internal audit department any changes to, and the implementation of, the internal audit plan and any special projects and discuss with the internal audit department the results of the internal audits and any special projects; and
- » To oversee the activities, organizational structure and qualifications of the internal audit department.

E. Other Matters

- » To review and update periodically this charter of the Audit Committee;
- » To review reports and any financial information submitted by the Company to a government body or the public;
- » To report to the Board the matters discussed at each meeting of the Audit Committee;
- » To keep an open line of communication with the financial and senior management, the internal audit department, the Independent Accountants and the Board;
- » To establish, and periodically review, rules 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 the Company of concerns regarding questionable accounting or auditing matters; and
- » To retain, at the Company's expense, special legal, accounting or other consultants or experts it deems necessary in the performance of its duties.