

# Neurocrine Biosciences, Inc.

## Audit Committee Charter

*The Following Charter was most recently adopted by the  
Board of Directors of Neurocrine Biosciences, Inc.  
February 2024*

### I. Purpose.

The purpose of the Audit Committee (the “*Committee*”) of the Board of Directors (the “*Board*”) of Neurocrine Biosciences, Inc. (the “*Company*”) is to provide assistance to the directors in fulfilling their oversight responsibility relating to the integrity of the Company’s financial statements; the financial reporting process; the systems of internal accounting and financial controls; the performance of the Company’s independent auditors; the independent auditor’s qualifications and independence; the Company’s compliance with ethics policies and legal and regulatory requirements; and the other matters set forth under “Specified Duties” below.

The Committee is charged with ensuring that free and open communication is maintained among the Committee, independent auditors, the Company’s internal audit function, and the management of the Company. In its oversight role, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities, and personnel of the Company and the authority to engage and determine funding for independent counsel and other advisers as it determines necessary to carry out its duties.

The Committee shall have the authority to undertake the specific duties and responsibilities described below and the authority to undertake such other duties as are assigned by law, the Company’s charter or bylaws or by the Board.

### II. Structure.

#### A. Membership.

The Committee shall be comprised of at least three Directors as determined by the Board, none of whom shall be an employee of the Company and all of whom shall satisfy the independence and financial literacy requirements of The Nasdaq Stock Market (“*Nasdaq*”) as in effect from time to time.

The Committee shall have at least one member who meets the Securities and Exchange Commission (“*SEC*”) definition of an “audit committee financial expert”.

The members of the Committee shall be appointed by the Board. Unless a Chairperson of the Committee is designated by the Board, the Committee may designate a Chairperson by a majority vote of the full Committee membership.

B. Rules of Procedure.

The Committee may determine its own rules of procedure with respect to the place, time and frequency of its meetings, provided that the Committee meets a minimum of four times a year to review quarterly filings with the SEC. The Committee will also meet at the call of its Chairperson as appropriate to accomplish the purposes of the Committee. Notice of meetings of the Committee shall be given as provided in the bylaws of the Company.

C. Committee Secretary.

The Committee will appoint a Secretary of the Committee who will attend all meetings; keep minutes of the Committee's proceedings; advise members of all meetings called; arrange with the Chairperson of the Committee or other convening authority for preparation and distribution of the agenda and supporting material for each meeting; at the direction of the Chairperson of the Committee, make the necessary logistical arrangements for each meeting; and carry out other functions as may be assigned from time to time by the Committee. In the event that the Chairperson of the Committee believes that it is inappropriate for a non-Committee member acting as Secretary to attend any meeting(s) or portion(s) thereof, the Chairperson shall appoint a member of the Committee to act as Secretary for such meeting(s) or portion(s) thereof.

D. Attendance at Meetings.

When deemed appropriate by the Committee, meetings of the Committee may be attended by the Company's tax and accounting departments and by such other members of the management of the Company as the Committee deems appropriate. The Chair of the Board, the Chief Executive Officer, Chief Legal Officer, and the Chief Financial Officer may attend any meeting of the Committee, except for portions of the meetings where his, her or their presence would be inappropriate, as determined by the Chairperson of the Committee. The Committee may also exclude from its meetings any persons it deems appropriate in order to carry out its responsibilities.

E. Quorum.

A majority of the members of the Committee will constitute a quorum for the transaction of business. The action of a majority of the Committee members present at any meeting in which a quorum is present shall be the action of the Committee.

F. Minutes and Reports.

The Committee shall maintain written minutes or other records of its meetings and activities. Minutes of each meeting of the Committee shall be distributed to each member of the Committee and other members of the Board. The Secretary of the Company shall retain the original signed minutes for filing with the corporate records of the Company.

The Chairperson of the Committee shall report to the Board following meetings of the Committee and as otherwise requested by the Chair of the Board.

### **III. Specified Duties.**

The primary responsibility of the Committee is to oversee the Company's financial reporting process on behalf of the Board and report the results of their activities to the Board. This includes assessing the overall "tone" relating to financial reporting, the internal control structure and corporate ethics.

The Committee shall not have the duty to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with U.S. generally accepted accounting principles ("**GAAP**"). The Company's management is responsible for the preparation, presentation, and integrity of the Company's financial statements and for the appropriateness of the accounting principles and reporting policies that are used by the Company. The independent auditors are responsible for auditing the Company's financial statements and for reviewing the Company's unaudited interim financial statements. The Committee is to ensure that the independent auditors understand that they are ultimately accountable to the Board and the Committee. The Committee shall have direct responsibility for the appointment, compensation, retention and oversight of the work of the independent auditors and any other registered public accounting firm engaged for the purpose of performing other review or attest services for the Company as set forth in Section 10A(m)(2) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and the rules thereunder and otherwise to fulfill its responsibilities under this charter.

Each member of the Committee shall be entitled to rely on (i) the integrity of those persons and organizations within and outside the Company from which it receives information and (ii) the accuracy of the financial and other information provided to the Committee by such persons and organizations absent actual knowledge to the contrary (which shall be promptly reported to the Company's Board). In addition, the evaluation of the Company's financial statements by the Committee is not of the same scope as, and does not involve the extent of details as, audits performed by the independent auditor, nor does the Committee's evaluation substitute for the responsibilities of the Company's management for preparing, or the independent auditor for auditing, the financial statements.

#### **A. Duties.**

To fulfill its responsibilities, the Committee shall be responsible for:

- (1) Serving as channel of communication between the independent auditors and the Board.
- (2) With respect to the independent auditors:
  - i. Reviewing annually the performance and qualifications of the independent auditors including their internal quality control

procedures, peer review report and any other information that the Committee may deem appropriate.

- ii. Annually determining whether to retain, or to terminate, the engagement of the existing independent auditors, or to appoint and engage a different independent registered public accounting firm.
- iii. Annually nominating the independent auditors in the proxy statement.
- iv. Ensuring rotation of lead and review partners of the independent auditors as required by applicable law.
- v. Determining the compensation paid to the independent auditors.
- vi. Pre-approving of all permissible non-audit services (defined as any professional services provided to an issuer by an independent auditor other than those provided to an issuer in connection with an audit or a review of the financial statements or comfort letters in connection with a securities offering) provided by the independent auditors (may be delegated to a member of the Committee, however any pre-approvals must be presented to the Committee at the next meeting).
- vii. Ensuring that the independent auditors do not engage in specific non-audit services (examples of which are bookkeeping services, internal audit services, financial system implementation and design, appraisal or valuation services, actuarial services, management functions, and investment banking services) proscribed by law or regulation.
- viii. Ensuring that at least annually, consistent with Ethics and Independence Rule 3526, *Communication with Audit Committees Concerning Independence* of the Public Company Accounting Oversight Board (United States) (the “**PCAOB**”), the Committee receives and reviews written disclosures from the independent auditors delineating all relationships between the independent 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 a letter from the independent auditors affirming their independence; considers and discusses with the independent auditors any potential effects of any such relationships on the independence of the independent auditors as well as any compensation or services that could affect the independent auditors’ objectivity and independence; and assesses and otherwise takes appropriate action to oversee the independence of the independent auditors.

- ix. Discussing with the independent auditors the overall scope and plans for the annual audit and quarterly review procedures.
  - x. Reviewing with management and the independent auditors, after each annual audit, the audit report, any additional material written communications between the independent auditors and management, and the scope, adequacy and effectiveness of internal control procedures of the Company, including any significant deficiency and/or material weakness letter, if applicable. Particular emphasis should be given to the adequacy of internal controls to expose any payments, transactions, or procedures that might be deemed illegal or otherwise improper.
  - xi. Discussing with the independent auditors, at least annually, the matters required to be discussed by Auditing Standard 1301, *Communications with Audit Committees*, as adopted by the PCAOB (including any successor rule adopted by the PCAOB).
  - xii. Evaluating the cooperation received by the independent auditors during their audit examination, including any significant difficulties encountered during the audit or any restrictions on the scope of their activities or access to required records, data and information and, whether or not resolved, significant disagreements with management and management's response, if any.
  - xiii. Reviewing with management and the independent auditors, or any other registered public accounting firm engaged to perform review or attest services, any conflicts or disagreements between management and the independent auditors, or such other accounting firm, 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 the independent auditors' report, and to resolve any conflicts or disagreements regarding financial reporting.
  - xiv. Obtaining assurance from the independent auditor that Section 10A of the Exchange Act has not been implicated.
- (3) Reviewing and approving all related party transactions to the extent provided in the Company's Related-Person Transactions Policy.
  - (4) Establishing hiring policies for employees or former employees of the independent auditors that meet the SEC and Nasdaq listing requirements standards.
  - (5) Discussing with Company management and the independent auditors the adequacy and effectiveness of the accounting and financial controls.

- (6) Gaining an understanding of the major accounting principles and significant reporting judgments used in preparation of the financial statements, including any changes to major accounting principles.
- (7) Reviewing any analyses prepared by management or the independent auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of using alternative methods under GAAP.
- (8) Reviewing the accounting, legal and regulatory matters that may have a material effect on the Company's financial statements.
- (9) Providing oversight over compliance policies and programs that relate to accounting and financial matters.
- (10) Reviewing the interim financial statements with the Company Chief Executive Officer, Chief Financial Officer and other appropriate members of management and the independent auditor prior to filing the Company Quarterly Report on Form 10-Q, and reviewing with the Chief Executive Officer and Chief Financial Officer the content of any required certification related to the filing of the Form 10-Q. 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 applicable PCAOB standards.
- (11) Reviewing the year-end financial statements with the Company Chief Executive Officer, Chief Financial Officer and other appropriate members of management and the independent auditor prior to filing the Company Annual Report on Form 10-K and recommending whether or not such financial statements should be so included, and reviewing with the Chief Executive Officer and Chief Financial Officer the content of any required certification related to the filing of the Form 10-K, including the independent auditor's judgment about the quality, not just the acceptability, of the Company's accounting principles and practices, the reasonableness of significant judgments and estimates (including material changes in estimates), all known and likely misstatements identified during the audit (other than those the independent auditors believe to be trivial), and the adequacy of the disclosures in the financial statements. 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.
- (12) Preparing the "Audit Committee Report" required by the rules of the SEC for inclusion in the Company's annual proxy statement.

- (13) Reviewing and discussing the quarterly earnings press releases as well as financial information and earnings guidance provided to analysts and rating agencies.
- (14) Reviewing with management and the independent auditors, as appropriate, the Company's disclosures contained under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations" in its periodic reports to be filed with the SEC.
- (15) Reviewing and discussing with management and, as appropriate, the independent auditors the Company's major financial risk exposures and the steps taken by management to monitor and control these exposures.
- (16) Establishing and maintaining a "hotline" for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal controls, auditing, or compliance matters; and ensure that such complaints are able to be submitted anonymously and confidentially.
- (17) Remaining completely accessible to the Chief Executive Officer, the Chief Financial Officer, the Chief Legal Officer, the VP, Corporate Audit Services, the independent auditors, and management (both collectively and individually) to discuss any matters these persons believe should be discussed privately with the Committee.
- (18) Periodically, meeting in separate sessions with the Company's independent auditors, as appropriate, and management to discuss any matters that the Committee, the independent auditors, or management believe should be discussed privately with the Committee.
- (19) Oversight responsibility of the Company's internal audit function (which may also be referred to as the corporate audit services function), including reviewing and discussing with management the responsibilities, budget, and staffing of such function; reviewing significant results of internal audits, as well as management's response; reviewing and approving the Company's annual internal audit plan, and any other key internal audit policies, plans and procedures; and reviewing and approving the selection or dismissal of the Company's VP, Corporate Audit Services, who shall report directly to the Committee and administratively to the Chief Financial Officer. The Committee will periodically meet separately with the internal audit function out of the presence of the Company's management.
- (20) Reviewing accounting and financial human resources and staffing within the Company.
- (21) Oversight responsibility of all cybersecurity and related matters, including periodically reviewing and discussing with management risks relating to data privacy, technology and information security, including cybersecurity, and back-up of information systems and the steps the

Company has taken to monitor and control such exposures; and the Company's internal controls and disclosure controls and procedures relating to cybersecurity incidents.

- (22) Oversight responsibility for cyber defense planning and the steps the Company has taken to manage and control the associated risks.
- (23) Oversight and approval of all tax strategies and related tax matters.
- (24) Responsibility and oversight for comprehensive insurance programs, including Directors' and Officers' insurance.
- (25) Oversight responsibility for the Company's treasury operations, including its capital preservation investment policies and performance, and any financial derivatives and hedging activities.
- (26) Reviewing and discussing with management the Company's capital allocation strategies, including capital deployment, capital structure (current and available leverage and potential financing options), and potential return of capital alternatives.
- (27) Oversight responsibility for business continuity and disaster recovery planning and the steps the Company has taken to manage and control the associated risks.

#### **IV. Resolutions.**

All proposed resolutions shall be prepared by the legal department in consultation with the tax and accounting departments, discussed and voted upon at the meetings or adopted by unanimous written consent.

#### **V. Evaluation of Performance of the Committee.**

The Committee shall evaluate its own performance on an annual basis, including its compliance with this charter, and provide to the Board 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 review and reassess the Committee's charter at least annually and submit any recommended changes to the charter for consideration by the Board.

#### **VI. Disclosure of Charter.**

This charter will be made available on the Company's website. The Company's Annual Report to Stockholders shall state the foregoing.



## **VII. Additional Authority.**

The Committee shall have the authority, at its discretion, to call upon the Chair of the Board to provide internal assistance from officers and other employees of the Company and its subsidiaries as may be appropriate to fulfill its duties and responsibilities.

In discharging its responsibilities, the Committee shall have sole authority to, as it deems appropriate, select, retain and/or replace, as needed, outside legal counsel or other outside consultants to provide independent advice to the Committee. In that connection, in the event the Committee retains a consultant, the Committee shall have the sole authority to approve such consultant's fees, to be paid by the Company, and other retention terms.

The Committee shall have the authority to perform such other functions, and shall have such powers, as may be necessary or appropriate in the efficient and lawful discharge of its responsibilities hereunder.