



XWELL, Inc.

Audit Committee Charter

The following Audit Committee Charter (the "**Charter**") was adopted by the Board of Directors (the "**Board**") of XWELL, Inc., a Delaware corporation (the "**Company**"):

1. Members. The Board shall appoint the members of the Audit Committee (the "**Committee**"). The Committee shall be comprised of at least three independent directors of the Board who shall also satisfy such other criteria imposed on members of the Committee pursuant to the federal securities laws and the rules and regulations of the Securities and Exchange Commission ("**SEC**") and the NASDAQ. The term "independent director" means a director who meets the definition of "independence" under the rules and regulations of the SEC and NASDAQ. Each member of the Committee must be able to read and understand fundamental financial statements, including the Company's balance sheet, income statement and statement of cash flows. At least one member of the Committee shall be an "audit committee financial expert" as defined by the SEC. The Committee and its members shall be subject to the provisions of the Company's Bylaws relating to members and filling vacancies. Unless the Board elects a Chairman of the Committee, the Committee shall elect a Chairman by majority vote.
2. Purpose. The purpose of the Committee is to assist the Board in its oversight of: (1) the integrity of the Company's accounting, financial reporting practices and systems of internal accounting control, (2) the independence, qualifications and performance of the Company's independent registered public accounting firm, and (3) the Company's compliance with legal and regulatory requirements and the Company's code of conduct and ethics. The Committee shall also conduct all reviews and investigations and prepare such reports as are required to be prepared by the Committee pursuant to the rules of the SEC, the listing standards of NASDAQ (or any exchange or national listing market system upon which the Company's securities are listed or quoted for trading) or any other applicable laws or regulations.
3. Duties and Responsibilities. On behalf of the Board, the Committee shall, among its duties and responsibilities as may be delegated to the Committee by the Board, and in addition to any duties and responsibilities imparted to the Committee by the SEC, the listing standards of NASDAQ (or any exchange or national listing market system upon which the Company's securities are listed or quoted for trading) or any other applicable laws or regulations:
 - Appoint, compensate, retain and oversee the work of the independent registered public accounting firm. In this regard, the Committee shall appoint and retain, subject to ratification by the Company's stockholders, compensate, evaluate and terminate, when appropriate, the independent registered public accounting firm, which shall report directly to, and be responsible to, the Committee.

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- Pre-approve all auditing services and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by its independent registered public accounting firm and establish policies and procedures for the engagement of the independent registered public accounting firm to provide auditing and permitted non-audit services.
- Assist in resolving any disagreements between management and the Company's independent registered public accounting firm.
- Review the Form 10-K and annual audited financial statements and Form 10-Q and quarterly financial statements with management and the independent registered public accounting firm. Also included in such review shall be significant issues and judgments regarding accounting and auditing principles and practices, and the effect of regulatory and accounting initiatives on the Company's financial statements. The Committee shall recommend to the Board whether the financial statements should be included in the Form 10-K.
- Review the integrity of the Company's financial reporting processes and the coordination of the Company's financial personnel with the independent registered public accounting firm.
- Review and discuss with management the Company's quarterly earnings announcements and other public announcements regarding the Company's results of operations.
- Prepare any report required to be prepared by it for inclusion in the Company's proxy statement under SEC rules and regulations.
- Review and approve all related party transactions exceeding \$25,000.
- Review major changes to the Company's accounting and auditing principles and practices as suggested by management or the independent registered public accounting firm.
- Meet periodically with management to review the Company's major financial, business, technology, data privacy and cybersecurity, and legal and regulatory risk exposures, the steps management has taken to monitor and control such exposures, and the Company's risk assessment and risk management policies; regularly report to the Board the substance of such reviews; and, as necessary, recommend to the Board such actions as the Committee deems appropriate.
- Obtain and review, at least annually, a report by the independent registered public accounting firm describing the independent registered public accounting firm's internal quality-control procedures, and any material issues raised by the most recent internal quality-control review, or peer review, or PCAOB inspection, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the independent registered public accounting firm, and any steps taken to deal with any such issues.

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- Consider, at least annually, the qualifications and performance and independence of the independent registered public accounting firm, including an evaluation of the lead audit partner, and receive and discuss its report regarding independence.
- Meet with the independent registered public accounting firm prior to the audit to review (1) the auditors' responsibilities under generally accepted auditing standards and the responsibilities of management in the audit process, (2) the overall audit strategy, (3) the scope, timing and planning of the audit, (4) any significant risks identified during the auditors' risk assessment procedures and (5) when completed, the results, including significant findings, of the annual audit.
- Review with the independent registered public accounting firm the results of the annual audit examination, and any issues they may have encountered in the course of its audit work and management's response. This review should include, among other things, any management letter, any restrictions on the scope of activities or access to required information.
- Discuss with management the Company's earnings releases and corporate policies with respect to releases and financial information and earnings guidance provided to analysts and rating agencies.
- Receive reports from the Company's independent registered public accounting firm and management regarding, and review the adequacy and effectiveness of, the Company's internal controls over financial reporting and significant changes in such controls reported to the Committee by the Company's independent registered public accounting firm or management.
- Review management's annual internal control report which acknowledges management's responsibility for establishing and maintaining an adequate internal control structure and procedures for financial reporting; and contains an assessment of the effectiveness of the internal control structure.
- Receive reports from the Company's independent registered public accounting firm and management regarding, and review the adequacy and effectiveness of, the Company's disclosure controls and procedures.
- Review and discuss with the Company's independent auditors any other matters required to be discussed by PCAOB Auditing Standards No. 1301, *Communications with Audit Committees* and other applicable requirements of the PCAOB and the SEC.
- Ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law.
- Review candidates for the positions of chief financial officer and controller of the Company.
- Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the

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confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters. Ensure such procedures maintain the confidentiality and anonymity of persons reporting violations or suspected violations and ensure that the Company does not take retaliatory actions against those reporting.

- Review and approve the hiring by the Company of any employee or former employee of the independent registered public accounting firm who has participated in any capacity in the Company's audits, and confirm with management prior to the initiation date of each audit that the Company has not hired any such person in the past year in violation of Section 10A(1) of the Exchange Act.
 - Advise the Board with respect to the Company's policies and procedures regarding compliance with applicable laws and regulations and with the Company's policies for Code of Business Conduct and Conflict of Interests, including the establishment of procedures to ensure open and regular communications with the Board.
 - Review with the Company's counsel and independent registered public accounting firm (1) legal matters that may have a material impact on the financial statements, (2) any fraud involving management or other employees who have a significant role in the Company's internal controls, (3) compliance policies, and (4) any material reports or inquiries received from regulators, governmental agencies or employees that raise material issues regarding the Company's financial statements and accounting or compliance policies.
 - Review and approve the Company's investment policies.
 - Review the adequacy of the Company's insurance coverage.
 - Review the status of any material tax audits and proceedings, the Company's tax strategy and other material tax matters.
 - On a regular basis, meet separately with the independent registered public accounting firm to discuss any matters that the Committee or independent registered public accounting firm believes should be discussed privately.
 - Review this Charter annually and recommend any changes for approval by the Board.
 - Review the Committee's and each member's performance and qualifications under applicable rules and regulations on a regular basis.
 - Consider such other matters in relation to the financial affairs of the Company, its accounts and the independent audit of the Company, as the Committee may, in its discretion, determine to be advisable.
4. Meetings. The Committee shall meet at least four times per year, either in person or telephonically, and at such times and places as the Committee shall determine. At each such regularly scheduled meeting, the Committee shall meet in separate executive sessions with the Company's executive management, the Company's independent registered public

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accounting firm and the Committee itself. Minutes shall be kept of each meeting of the Committee. The Chairman of the Committee shall report to the Board following meetings of the Committee and as otherwise requested by the Chairman of the Board.

5. Outside Advisors. The Committee shall have the authority to retain such outside legal, accounting or other consultants or advisors as it determines appropriate to assist it in the performance of its functions, or to advise or inform the Committee. The Committee may also meet with investment bankers and financial analysts. The Committee may request any officer or employee of the Company or the Company's outside counsel or independent registered public accounting firm to attend a meeting of the Committee or to meet with any member of, or consultants to, the Company. The Company shall provide for payment of compensation to the independent registered public accounting firm and to any advisors retained by the Committee.
6. Limitations. The Committee is responsible for the duties set forth in this Charter, but is not responsible for the preparation of the financial statements or the auditing of thereof. Management has the responsibility for preparing the financial statements and implementing internal controls and the independent registered public accounting firm has the responsibility for auditing the financial statements and the design and effectiveness of the internal controls.
7. Investigations. The Committee shall have the authority to conduct or authorize investigations into any matter within the scope of its responsibilities as it shall deem 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.
8. Amendment. Any amendment or other modification of this Charter shall be made and approved by the Board of the Company.
9. Disclosure of Charter. This Charter, as amended from time to time, shall be made available to the public on the Company's website.

Revised on December 1, 2023