



## **Audit Committee Charter**

### **I. PURPOSE**

The function of the Audit Committee (the "Committee") of the Board of Directors (the "Board") of AngioDynamics, Inc. (the "Company") is to:

- Assist the Board in its oversight of (i) the integrity of the Company's financial statements, accounting and financial reporting processes, system of internal controls over financial reporting, and audit process; (ii) the Company's compliance with, and process for monitoring compliance with, legal and regulatory requirements, in coordination with the Nominating, Compliance, and Corporate Governance Committee; (iii) the independent auditors' quarterly reviews, qualifications and independence; (iv) the performance of the Company's internal audit; and (v) policies and procedures for risk assessment and risk management.
- Provide an open avenue of communication among management, the Company's internal audit group, the independent auditors and the Board.
- Prepare the report of the Committee required to be included in the Company's annual proxy statement.

### **II. COMPOSITION**

The Committee shall consist of no fewer than three members of the Board, all of whom shall be appointed by the Board. The members of the Committee shall each have been determined by the Board to be "independent" under the Nasdaq Marketplace Rules (the "Nasdaq Rules") and under the Sarbanes-Oxley Act of 2002.

The members of the Committee and the chairperson of the Committee shall be appointed annually by the Board based on the recommendation of the Nominating, Compliance, and Corporate Governance Committee.

Provided that the Board does not so designate a chairperson, the members of the Committee, by a majority vote, may designate a chairperson.

Any vacancy on the Committee shall be filled by majority vote of the Board. No member of the Committee shall be removed except by majority vote of the Board.

In selecting the members of the Committee, the Board shall also determine: (i) that each member is able to read and understand fundamental financial statements; (ii) that each member has not participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the past three years; and (iii) to the extent required by the applicable Securities and Exchange Commission ("SEC") rules, that at least one member of the Committee is an "audit committee financial expert" as defined by the SEC and is financially

sophisticated in accordance with the Nasdaq Rules (or if there is no such member, the reason for not having an audit committee financial expert on the Committee).

### **III. MEETINGS**

The Committee shall meet at least four (4) times annually and each time the Company proposes to issue a press release with its quarterly or annual earnings information and will be available to meet more frequently as circumstances require.

The Committee will meet regularly with management, including the CEO, CFO, Director of Internal Audit and the independent auditors in private sessions to discuss any matters that the Committee and each of these groups believe should be discussed privately.

The Committee may invite such members of management, internal audit group, independent auditors and other persons to its meetings as it may deem desirable or appropriate. The Committee's chairperson shall report regularly to the Board summarizing the Committee's actions and any significant issues considered by the Committee.

The Committee may form subcommittees for any purpose that the Committee deems appropriate and may delegate to such subcommittees such power and authority as the Committee deems appropriate; provided, however, that no subcommittee shall consist of fewer than two members; and provided further that the Committee shall not delegate to a subcommittee any power or authority required by any law, regulation or listing standard to be exercised by the Committee as a whole.

A quorum at any meeting of the Committee shall consist of a majority of the members present in person or by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear. All determinations of the Committee shall be by a majority of the members present at a meeting duly called or held.

An agenda, together with materials relating to the subject matter of each meeting, shall be sent to members of the Committee prior to each meeting. Minutes for all meetings of the Committee shall be prepared to document the Committee's discharge of its responsibilities. The minutes shall be circulated in draft form to all Committee members to ensure an accurate final record and shall be approved at a subsequent meeting of the Committee.

### **IV. RESPONSIBILITIES AND DUTIES**

The following functions shall be the common recurring activities of the Committee in carrying out its responsibilities outlined in Section I of this Charter. The Committee may carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purposes of the Committee outlined in Section I of this Charter.

The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern that it deems appropriate. The Committee shall have the authority to retain outside legal, accounting or other advisors for this or any other purpose, including the authority to approve the fees payable to such advisors and any other terms or retention. The Committee shall determine the ordinary administrative expenses that are necessary or appropriate in carrying out its

duties. The Company shall provide for appropriate funding, as determined by the Committee, for the payment of retained advisors and such administrative or other expenses.

The Committee shall be given full access to the Company's internal audit group, management, personnel and independent auditors as necessary to carry out these responsibilities. While acting within the scope of its stated purpose, the Committee shall have all the authority of the Board.

**A. Documents/Reports Review**

1. Review with management and the independent auditors, prior to public dissemination, the Company's annual audited financial statements and any quarterly financial statements and reports, including the Company's disclosures under the "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of such reports, and a discussion with the independent auditors of the matters required to be discussed by Public Company Accounting Oversight Board ("PCAOB") Auditing Standard 16 "Communications with Audit Committees", as applicable and recommend to the Board whether the audited financial statements should be included in the Company's Annual Report on Form 10-K.
2. Review and discuss with management and the independent auditors the Company's earnings press releases as well as financial information and earnings guidance provided to analysts and rating agencies, paying particular attention to any pro forma or adjusted non- GAAP information.
3. Inquire of the CEO and CFO regarding the "quality of earnings" of the Company from a subjective and objective standpoint.
4. Perform any functions required to be performed by it or otherwise appropriate under applicable law, rules or regulations, the Company's by-laws or other organizational documents and the resolutions or other directives of the Board, including review of any certification required to be reviewed in accordance with applicable law or regulations of the SEC.

**B. Independent Auditors**

1. Appoint, compensate and retain (and terminate, as the case may be) the Company's independent auditors (subject to shareholder ratification) and approve all audit engagement fees and terms. The independent auditor will report directly to the Committee.
2. Oversee the work of any registered public accounting firm employed by the Company, including the resolution of any disagreement between management and the independent auditor regarding financial reporting, for the purpose of preparing or issuing an audit report or related work.
3. Review with the independent auditor, the CFO, and the Director of Internal Audit, the audit scope and plans of the internal auditors and independent auditors. Address the coordination of efforts to assure the completeness of coverage, reduction of redundant effort and the collective use of audit resources.

4. Review all material written communications between the independent auditors and management, such as any management letter or schedule of unadjusted differences.
5. Approve, in advance, any audit and any permissible non-audit engagement or relationship between the Company and the independent auditors. The authority to grant preapproval may be delegated to one or more designated members of the Committee, whose decisions will be presented to the Committee at its next regularly scheduled meeting.
6. Review, at least annually, the qualifications, performance and independence of the independent auditors. In conducting its review and evaluation, the Committee shall:
  - i. Obtain and review a written report by the Company's independent auditors describing: (i) the auditing firm's internal quality-control procedures; (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the auditing firm, 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 auditing firm, and any steps taken to deal with any such issues; and (iii) all relationships between the independent auditors and the Company (so as to enable the assessment of the independent auditors' independence);
  - ii. Discuss with the independent auditor any disclosed relationships or services that may impact the objectivity and independence of the auditor;
  - iii. Ensure that the independent auditors have a process in place to ensure the rotation of the lead audit partner and reviewing partner on at least that schedule required by the SEC, the PCAOB or any other applicable authority;
  - iv. Take into account the opinions of management and the Company's internal auditors (or of other personnel responsible for the internal audit function); and
  - v. Receive from the independent auditors such other written statements as required by PCAOB Ethics and Independence rules and the Nasdaq Rules.
7. Assess whether the independent auditor is consistently demonstrating objectivity and professional skepticism in the performance of its work.
8. Review with the independent auditors any audit problems or difficulties and management's response.
9. Set clear hiring policies to be implemented by the Company for employees or former employees of the independent auditors to ensure the independence of the Company's outside auditors is not compromised under the rules of the SEC.

**C. Financial Reporting Process and Controls**

1. Review, in consultation with the independent auditors and the internal auditors, the integrity of the Company's internal and external financial reporting processes and

controls. In this regard, the Committee should obtain and discuss with management and the independent auditors all reports from management and the independent auditors regarding: (i) all critical accounting policies and practices to be used by the Company; (ii) analyses prepared by management and/or the independent auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including all alternative treatments of financial information within generally accepted accounting principles that have been discussed with the Company's management, the ramifications of the use of the alternative disclosures and treatments, and the treatment preferred by the independent auditors; (iii) major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles; (iv) major issues as to the adequacy of the Company's internal controls and any specific audit steps adopted in light of material control deficiencies; and (v) any other material written communications between the independent auditor and the Company's management.

2. Receive and review any disclosure from the Company's CEO and CFO made in connection with the certification of the Company's quarterly and annual reports filed with the SEC of: (i) significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting that are reasonably likely to adversely affect the Company's ability to record, process, summarize, and report financial data; and (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls.
3. Review periodically with management and the independent auditors the effect of regulatory and accounting initiatives, as well as off-balance sheet structures (if any), on the financial statements of the Company.
4. Establish regular system of reporting to the Committee by each of management, the independent auditors and the internal auditors regarding any significant judgments made in management's preparation of the financial statements and any significant difficulties encountered during the course of the review or audit, including any restrictions on the scope of work or access to requested information.
5. Review any significant disagreement between management and the independent auditors or the internal auditing department in connection with the preparation of the financial statements and management's response to such matters.
6. Review and discuss with the independent auditors the responsibilities, adequacy of budget and staffing of the Company's internal audit function.

**D. Internal Audit**

1. Ensure the Company maintains (either as an internal function or as an outsourced service) an internal audit function.
2. Review and advise on the selection and removal of the Director of Internal Audit.
3. Review with management and the Director of Internal Audit (i) significant findings on internal audit during the year and management's response thereto; (ii) any difficulty

the internal audit team encountered in the course of their audits, including any restrictions on scope of their work or access to required information; (iii) the internal audit department budget and staffing; (iv) the internal audit department charter; and (v) internal audit's compliance with the Institute of Internal Auditing Standards for the Professional Practice of Internal Auditing.

4. Periodically review, with the independent auditor, the internal audit function's responsibility, budget, and staffing.

**E. Legal/Compliance/General**

1. Review, with the Company's counsel, any legal matter that could have a significant impact on the Company's financial statements or operations, including matters referred to Committee by the Nominating, Compliance and Corporate Governance Committee.<sup>1</sup>
2. Discuss with management and the independent auditors the Company's guidelines and policies with respect to risk assessment and risk management. Review policies and procedures with respect to enterprise risk assessment and risk management, it being understood that it is the job of management to assess and manage the Company's exposure to risk and that the Committee's responsibility is to review policies and procedures by which risk assessment and management are undertaken. In addition, review key enterprise risks on an annual basis, and discuss with management the steps taken to monitor and control high risks on a quarterly basis.
3. The Committee shall oversee, review, and receive updates on the Company's compliance with respect to matters directly related to accounting, internal accounting controls or auditing matters, and specifically including matters related to (i) the quality or integrity of the Company's financial statements; (ii) the adequacy of the Company's internal controls over financial reporting; (iii) the performance, qualifications, and independence of the Company's registered public accounting firm; or (iv) the performance of the Company's internal audit function for matters within the scope of the Company's Audit Committee (collectively, the "Audit Committee Compliance Responsibilities"). For the avoidance of doubt, matters within the Nominating, Compliance, and Corporate Governance Committee's oversight responsibilities include, without limitation, compliance with laws, fair dealing, employee health and safety, data privacy, employment, anti-bribery, work environment, interactions with health care professionals and product quality.
4. The Committee shall establish procedures for the receipt, retention, and treatment of complaints regarding the Audit Committee Compliance Responsibilities as well as for the confidential, anonymous submissions by employees of the Company of concerns regarding questionable accounting or auditing matters as required by Section 301 of the Sarbanes-Oxley Act of 2002 and the rules and listing requirements promulgated

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<sup>1</sup> See Nominating, Compliance, and Corporate Governance Committee Charter, Section IV.F, "Nominating, Compliance, and Corporate Governance Committee Compliance Responsibilities."

thereunder by the SEC and Nasdaq. The Committee shall conduct or authorize investigations into any matters within the Committee's scope of responsibilities.

5. Review and approve all related party transactions, defined as those transactions required to be disclosed under Items 404(a) and (b) of Regulation S-K and Nasdaq-Rule 5630. Discuss with the independent auditor its evaluation of the Company's identification of, accounting for, and disclosure of its relationships with related parties as set forth under the standards of the PCAOB.

#### **F. Reports**

1. Prepare all reports of it to be included in the Company's proxy statement, pursuant to and in accordance with applicable rules and regulations of the SEC, including Item 407 of Regulation S-K and Item 7 of Schedule 14A, or any successor provisions.
2. Report regularly to the Board:
  - i. With respect to any issues that arise regarding the quality or integrity of the Company's financial statements, the Company's compliance with legal and regulatory requirements, the performance and independence of the Company's independent auditors or the performance of the internal audit function;
  - ii. Following all meetings of the Committee; and
  - iii. With respect to such other matters that are relevant to the Committee's discharge of its responsibilities.
3. Maintain minutes or other records of meetings and activities of the Committee.
4. Oversee the preparation of an annual report of the Committee as required by the rules of the SEC and the annual affirmation required by the listing exchange, if necessary.

#### **V. ANNUAL PERFORMANCE EVALUATION**

The Committee shall perform a review and evaluation, at least annually, of its performance and that of its members, including reviewing the compliance of the Committee with this Charter. In addition, the Committee shall review and reassess, at least annually, the adequacy of this Charter and recommend to the Board any improvements to this Charter that the Committee considers necessary or valuable.

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While the members of the Committee have the duties and responsibilities set forth in this Charter, nothing contained in this Charter is intended to create, or should be construed as creating, any responsibility or liability of members of the Committee, except to the extent otherwise provided under applicable federal or state law.