

# BIOLIFE SOLUTIONS, INC. AUDIT COMMITTEE CHARTER

(AS AMENDED DECEMBER 9, 2013)

## General Statements of Policy

The Audit Committee (“**Committee**”) of the Board of Directors (“**Board**”) reports directly to the Board and assists it in fulfilling its oversight responsibilities to stockholders, potential stockholders, the investment community, and others related to (i) the integrity of the Company’s financial statements, reporting process, and systems of internal accounting and financial controls, (ii) the performance of the Company’s internal audit function and the independent registered public accounting firm (and any other registered public accounting firm) engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company (“**Accounting Firm**”); (iii) the Accounting Firm’s qualifications and independence; and (iv) the Company’s compliance with ethics policies and legal and regulatory requirements.

In so doing, it is the responsibility of the Committee to maintain free and open communication between the Committee, the Accounting Firm, and management of the Company. In discharging 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.

## Membership

**Number of Members/Independence.** The Committee shall consist of three or more Board members, all of whom (i) shall be independent in accordance with the requirements of Rule 10A-3 under the Securities Exchange Act of 1934 and NASDAQ or any other applicable listing exchange and (ii) are free of any relationship that, in the opinion of the Board of Directors, would interfere with their exercise of independent judgment as a Committee member. Members of the Committee shall be appointed and removed at the discretion of the Board.

**Financial Literacy.** All members of the Committee shall be financially literate, and at least one member of the Committee shall be an “audit committee financial expert,” as defined by SEC regulations and, if applicable, satisfy the financial sophistication requirements of NASDAQ or any other applicable listing exchange. Committee members may enhance their familiarity with finance and accounting by participating in educational programs conducted by the Company or an outside consultant.

## Meetings and Procedure

**Timing of Meetings.** The Committee shall meet at least quarterly. The business of the Committee shall be conducted at its regular meetings, at special meetings or by unanimous written consent. Special meetings may be called by any Committee member, by the Chairman of the Board, or by the Presiding Director of the Board. The Committee is governed by the same rules regarding meetings (including meetings in person or by telephone or other similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board.

**Records and Reports.** The Committee, with the assistance of the Corporate Secretary, shall maintain a record of the Committee's actions. The Committee shall report to the Board of Directors on any matter that the Committee deems necessary or desirable for the Board to carry out its duties.

**Subcommittees.** In fulfilling its responsibilities, the Committee is entitled to delegate any or all of its responsibilities to a subcommittee.

### Outside Advisors.

1. **Authority.** The Committee has full authority, in its sole discretion, to engage independent counsel and other advisors as it determines necessary to carry out its duties. The Committee shall set the compensation, and oversee the work, of any outside counsel and other advisors. Any communications between the Committee and legal counsel in the course of obtaining legal advice will be considered privileged communications of the Company, and the Committee will take all necessary steps to preserve the privileged nature of those communications.
2. **Funding.** The Committee shall receive appropriate funding from the Company, as determined by the Committee in its capacity as a committee of the Board, for the payment of compensation to the Company's independent auditors, any other accounting firm engaged to perform services for the Company, any outside counsel and any other advisors to the Committee.

### Duties and Responsibilities

The Committee, in carrying out its responsibilities, believes its policies and procedures should remain flexible, so that it can most effectively react to changing conditions and circumstances. The Committee should take appropriate actions to set the overall corporate "tone" for high quality financial reporting, sound business risk practices, and ethical behavior.

The following shall be the principal duties and responsibilities of the Committee. These are set forth as a guide with the understanding that the Committee may supplement them as appropriate.

### Annual Audit.

1. **Oversight of Accounting Firm.** The Committee shall be directly responsible for the appointment and termination (subject, if applicable, to shareholder ratification), compensation, and oversight of the work of the Accounting Firm, including resolution of disagreements between management and the Accounting Firm regarding financial reporting. The Committee shall preapprove all audit and non-audit services provided by the Accounting Firm and shall not engage the Accounting Firm to perform the specific non-audit services proscribed by law or regulation. The Committee may delegate pre-approval authority to a member of the Committee. The decisions of any Committee member to whom pre-approval authority is delegated must be presented to the full Committee at its next scheduled meeting.
2. **Annual Report from Accounting Firm.** At least annually, the Committee shall obtain and review a report by the Accounting Firm describing:
  - a. The firm's internal quality control procedures;

- b. Any material issues raised by the most recent Public Company Accounting Oversight Board (“**PCAOB**”) inspection, internal quality control review, or PCAOB review, of the 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 firm, and any steps taken to deal with any such issues; and
- c. All relationships between the Accounting Firm and the Company (to assess the auditor’s independence).

**3. Additional Audit Related Activities.** In addition to the foregoing activities, the Committee shall:

- a. Set clear hiring policies for employees or former employees of the Accounting Firm that meet the SEC regulations and NASDAQ listing standards;
- b. Review and discuss earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies;
- c. Receive and review regular reports from the Accounting Firm on the critical policies and practices of the Company, and all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management;
- d. Consult with management and the Accounting Firm regarding the effect of regulatory and accounting initiatives on the financial statements, as determined appropriate by the Committee;
- e. Set forth, and periodically assess, the Company’s risk management processes and guidelines, and discuss, at least annually, the Company’s major financial risk exposures and steps management has taken to monitor and control such exposures as have been assigned to the Committee;
- f. Review, assess, and report to the Board on the annual performance of the Accounting Firm and the Chief Financial Officer; and
- g. Report to the Board the results of the external audit, the audited financial statements, the auditor’s management letter, and management’s response.

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 the preparation, presentation, and integrity of the Company’s financial statements, establishing and monitoring internal control over financial reporting, and for the appropriateness of the accounting principles and reporting policies that are used by the Company. The Accounting Firm is responsible for auditing the Company’s financial statements and, if required, attesting to the effectiveness of internal control over financial reporting and for reviewing the Company’s unaudited interim financial statements.

## Compliance.

In accordance with its oversight responsibilities relating to legal and regulatory compliance, the Committee shall take the following actions.

1. **Internal Controls.** The Committee shall:
  - a. Discuss with management and the Accounting Firm the adequacy and effectiveness of the accounting and financial controls, including the Company's policies and procedures to assess, monitor, and manage business risk;
  - b. Review management's assertion on its assessment of the effectiveness of internal control over financial reporting as of the end of the most recent fiscal year and the Accounting Firms' report on the effectiveness of the Company's internal control over financial reporting; and
  - c. Review with senior management the Company's overall antifraud program and controls.
2. **Reporting Systems.** The Committee shall:
  - a. Assure that the Company has the information, reporting systems, procedures, policies and controls in place to promote compliance by employees, management, and the Board, with laws and regulations, and monitor the operation of those systems, procedures and policies;
  - b. Establish procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, auditing matters, and the confidential, anonymous submission by employees of concerns regarding such matters; and
  - c. Receive corporate attorneys' reports of evidence of a material violation of securities laws or breaches of fiduciary duty.
3. **Investigations.** The Committee shall promptly investigate and address concerns or compliance failures raised by internal reporting or compliance procedures or by the Accounting Firm in accordance with Company policies and procedures.
4. **Approval of Related Party Transactions.** The Committee shall review and approve all related-party transactions required to be disclosed pursuant to SEC Regulation S-K, Item 404, in accordance with Company policies and procedures, and discuss with management the business rationale for the transactions and whether appropriate disclosures have been made.
5. **Meetings with Management and Auditors.** The Committee shall, on a timely basis, meet separately with management, the internal auditors, and the Accounting Firm to discuss issues and concerns warranting attention, including but not limited to:
  - a. Critical accounting policies and practices;
  - b. The quality and adequacy of the Company's internal accounting controls, including, if required, internal control over financial reporting;
  - c. Alternative treatments of financial information;
  - d. Material written communications between the Accounting Firm and management;
  - e. Disclosed relationships between the Accounting Firm and the Company; and
  - f. Other material issues relating to the Company's accounting or financial reporting.

The Committee shall review with the Accounting Firm any audit problems or difficulties and management's response.

### Periodic Reporting and Earnings Press Releases.

- 1. Form 10-Q.** The Committee shall review and discuss with management the interim financial statements and disclosures under Management's Discussion and Analysis of Financial Condition and Results of Operations prior to the filing of the Company's Quarterly Report on 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 Accounting Firm under the standards of the PCAOB.
- 2. Form 10-K.** The Committee shall review with management and the Accounting Firm the financial statements and disclosures under Management's Discussion and Analysis of Financial Condition and Results of Operations 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 Form 10-K), including their judgment about the quality, not just the acceptability, of accounting principles, the reasonableness of significant judgments, and the clarity of the disclosures in the financial statements, and shall make a recommendation to the Board regarding the inclusion of such statements and disclosures in such Report and any related press release. Also, the Committee shall discuss the results of the annual audit and any other matters required to be communicated to the Committee by the Accounting Firm under the standards of the PCAOB.
- 3. Earnings Press Releases.** The committee shall review and discuss with management the financial schedules included in quarterly earnings press releases.

### Annual Reviews.

- 1. Charter.** The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
- 2. Committee Performance.** The Committee shall perform an evaluation of its performance at least annually to determine whether it is functioning effectively.