

Audit Committee Charter
Of the Board of Directors of Bioanalytical Systems, Inc.
January 06, 2017

Purpose

The Audit Committee will represent and assist the Board of Directors in fulfilling its oversight responsibility to the shareowners relating to the integrity of the Company's financial statements and the financial reporting process, the systems of internal controls over financial reporting, the annual independent audit of the Company's financial statements, the Company's compliance with legal and regulatory requirements, and its ethics programs as established by management and the Board, including the Company's Code of Business Conduct. The Committee shall also oversee the independent auditors' qualifications and independence. The Committee will evaluate the performance of the Company's independent auditors, including a review and evaluation of the engagement partner. In carrying out its purpose, the Committee is responsible for acting independently while maintaining free and open communication with the independent auditors and the Company's management. The Committee is also responsible for reviewing and approving an annual report for inclusion in the Company's annual proxy statement.

Committee Membership

The Committee shall be appointed by the Board and shall comprise at least three directors. Each Committee member shall meet the requirements of the NASDAQ listing standards, and federal laws and regulations, with respect to audit committees, as they may become applicable from time to time. No member may serve on the audit committees of more than three public companies, unless the Board of Directors shall have affirmatively determined that the Director will be able to devote sufficient time and attention to the business of the Committee. Other than the ownership of the Company's common and preferred stock, the Committee members may have no direct or indirect financial relationship whatsoever with the Company other than the receipt of director's fees. All Committee members will be financially literate, and at least one member will meet the definition of "audit committee financial expert" set forth in the rules and regulations of the Securities and Exchange Commission (SEC).

The Board will designate a Chairman for the Committee. The Committee may form and delegate authority to subcommittees if and when appropriate.

Committee Authority and Responsibilities

The primary responsibility of the Committee is to oversee the Company's financial controls and reporting processes on behalf of the Board and report the results of its activities to the Board. Management is responsible for preparing the Company's financial statements, and the independent auditors are responsible for auditing those financial statements. The Committee in carrying out its responsibilities believes its policies and procedures should remain flexible, to best react to changing conditions and circumstances. The Committee should take the appropriate actions to set the overall corporate "tone at the top" for quality financial reporting, sound business risk practices, and ethical behavior.

The following shall be the principal recurring processes of the Committee in carrying out its oversight responsibilities. The Committee may perform such other duties and responsibilities as are consistent with its purpose and as the Board or the Committee deems appropriate.

1. Independent Auditors. The Committee shall have a clear understanding with management and the independent auditors that the independent auditors are ultimately accountable to the Committee and the Board. The Committee shall have the sole authority and responsibility to hire, evaluate and, where appropriate, replace the independent auditors and, in its capacity as a committee of the Board, shall be directly responsible for the appointment, compensation and general oversight of the work of the independent auditors. The Committee shall discuss the auditors' qualifications and independence from management and the Company, including whether the auditors' performance of permissible non-audit services is compatible with their independence. This process will include the Committee's receipt of a report from the independent auditors describing their internal control procedures, and any material issues raised by the most recent internal quality-control review, or inspections by the Public Company Accounting Oversight Board (PCAOB), of the independent auditors, 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 auditors, and any steps taken to deal with any such issues. Annually, to assess the auditors' independence, the Committee should receive a report from the independent auditors regarding all relationships between the independent auditors and the Company, or persons in a financial reporting oversight role at the Company that may reasonably be thought to

bear on independence.

The Committee will evaluate the performance of the Company's independent auditors, including the audit engagement team, each year and determine whether to reengage the current independent auditors or consider other audit firms. In doing so, the Committee will consider the quality and efficiency of the services provided by the auditors, the auditors' technical expertise and knowledge of the Company's operations and industry, and any other applicable factors the Committee deems appropriate. In connection with the mandated rotation of the Independent Auditors' engagement partner, the Audit Committee and its chairperson shall be directly involved in the selection of the new engagement partner. As a matter of good corporate governance, the Committee shall submit its selection of the independent auditors to our shareowners for ratification. If the shareowners should not ratify the appointment of the independent auditors, the Committee will reconsider the appointment.

2. Audit Services. The Committee shall discuss with the independent auditors the overall scope and plans for their audit, including the adequacy of staffing and compensation. The Committee shall approve in advance all audit engagement fees and the terms of all audit services to be provided by the independent auditors.

3. Permissible Non-Audit Services; Pre-Approval. The independent auditor may not perform non-audit services, unless the Committee approves them in advance. The Committee will consider and, if appropriate, give advance approvals to specified classes of non-audit services in accordance with policies adopted by the Committee.

4. Review of Interim Financial Statements and Earnings Releases. The Committee shall meet with management and the independent auditors before the filing of each of the Company's Quarterly Reports on Form 10-Q to review the interim financial statements and the Company's disclosures in Management's Discussion and Analysis of Financial Condition and Results of Operations. The Committee will discuss the Company's policies and procedures with respect to earnings releases and also review financial information included in releases. The Committee will discuss the results of the quarterly review and any other matters required to be communicated to the Committee by the independent auditors under auditing standards established from time to time by the PCAOB and by SEC rules.

5. Review of Annual Audited Financial Statements. The Committee shall meet and review with management and the independent auditors the financial statements to be included in the Company's Annual Report on Form 10-K (or the annual report to shareowners if distributed prior to the filing of the Form 10-K). As part of this review, the Committee will consider the clarity of the disclosures in the financial statements and the Company's disclosures under Management's Discussion and Analysis of Financial Condition and Results of Operations, including critical accounting policies. The Committee will review and discuss with the independent auditors the matters required to be communicated to the Committee by the independent auditors under auditing standards established from time to time by the PCAOB. These matters will include difficulties, if any, the independent auditors encountered in the course of their audit work; restrictions, if any, on the scope of the auditors' activities or on access to requested information, and any significant disagreements with management, along with management's response to such difficulties.

Based on its reviews, the Committee will make a recommendation to the Board as to whether the audited financial statements should be included in the Company's Annual Report on Form 10-K.

6. Risk Oversight. The Committee will oversee risks related to the Company's financial statements, the financial reporting process, and accounting and legal matters. The Committee will oversee the Company's ethical compliance programs, including the Company's Code of Business Conduct and the information technology security programs. The Committee will periodically receive reports on and discuss governance of the Company's risk management process and will review significant risks and exposures identified to the Committee by management or the independent auditors (whether financial, operating or otherwise), and management's steps to address them. In connection with its oversight of these matters, the Committee members may meet separately with the Company's legal counsel and representatives of the independent auditors.

7. Internal Controls, Disclosure Controls and Procedures. The Committee will discuss with management and the independent auditors the Company's internal controls. The Committee will review and discuss the Company's disclosure controls and procedures, and the assessments of such controls and procedures by the Chief Executive Officer and Chief Financial Officer. The

Committee shall consider issues involving related person transactions with the Chief Executive Officer or any holder of 5% or more of the Company's common stock. The Committee shall have the authority to consider for approval any such related person transactions and if possible approve such transactions before they are entered into, and will periodically review other significant related party transactions (as defined by applicable accounting standards) identified by management.

8. Complaint Procedures. The Committee shall establish and oversee procedures for handling complaints regarding accounting, internal accounting controls, auditing, and federal securities law matters, including procedures for confidential, anonymous submission of concerns by employees regarding accounting, auditing, and federal securities law matters.

9. Compliance Programs. The Committee shall periodically review and discuss with management and the independent auditors the overall adequacy and effectiveness of the Company's legal, regulatory and ethics and compliance programs, including the Company's Code of Business Conduct.

10. Report for Inclusion in Proxy Statement. The Committee shall review and approve the report that SEC rules require to be included in the Company's annual proxy statement.

11. Hiring of Auditor Personnel. The Committee shall review and have final approval over management's hiring of any current or former partners and employees of the independent auditors.

12. Charter. The Committee shall periodically review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval.

13. Annual Performance Evaluation. The Committee shall periodically review its own performance.

14. Investigative Authority. 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.

Outside Advisors

The Committee shall have the authority to retain outside counsel, accountants, experts and other advisors, as it deems appropriate, to assist the Committee in performing its functions. The Committee shall be provided with appropriate funding, as determined by the Committee, for payment of compensation to such outside counsel, accountants, experts and other advisors.

Meetings

The Committee will meet at least quarterly each year, and more frequently, when and where the Committee deems necessary or appropriate. The majority of the members of the Committee shall constitute a quorum. The Committee will meet separately, at least quarterly, with the independent auditors and senior management to discuss any matters that they wish to bring to the Committee's attention or that the Committee wishes to bring to their attention.

The Committee shall report to the Board with respect to its meetings, including any significant issues that arise regarding the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements or the performance and independence of the Company's independent auditors.
