

MERIT MEDICAL SYSTEMS, INC.

Audit Committee Charter

Purpose

The purpose of the Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of Merit Medical Systems, Inc. (the “Company”) is to oversee the Company’s accounting and financial reporting processes, systems of internal accounting and financial controls, and the audits of the Company's financial statements.

The Committee shall have the authority to retain such outside counsel, accountants, experts and other advisors as it determines appropriate to assist it in the performance of its functions. The Committee shall have sole authority to determine the fees and retention terms of such counsel, accountants, experts and advisors. The Committee shall have full access to all books, records, facilities and personnel of the Company.

Membership

The Committee shall consist of three or more independent directors of the Board. For purposes of this Charter, the term “independent director” means a director who meets the independence and experience requirements of the NASDAQ Stock Market, Inc., Section 10A of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and the applicable rules and regulations of the Securities and Exchange Commission (the “Commission”), as determined by the Board.

Members of the Committee shall be appointed by the Board (or, if applicable, any Nominating Committee of the Board) and shall serve at the pleasure of the Board and for such terms as the Board may determine. As determined by the Board, each member of the Committee shall be financially literate at the time of appointment, and at least one member of the Committee shall have accounting or related financial management expertise, as required by the Commission or provided in the listing standards of the NASDAQ Stock Market, Inc.

Structure and Operations

The Board shall designate one member of the Committee as its chairperson. In the event of a tie vote on any issue, the chairperson's vote shall decide the issue. The Committee shall meet in person or telephonically at least four times a year at a time and place determined by the Committee chairperson, with further meetings to occur, or actions to be taken by written consent, when deemed necessary or desirable by the Committee or its chairperson. The Committee shall meet separately in executive session periodically with each of management, the internal auditor(s) of the Company (the “Internal Auditor”) and the outside auditors of the Company (the “External Auditors”). The Committee shall report regularly to the Board with respect to its activities.



Except as prohibited by applicable law or this Charter, the Committee may form and delegate authority to subcommittees as the Committee reasonably deems appropriate. The Committee may designate a non-member to serve as secretary at committee meetings to keep meeting minutes.

- 1) The Committee shall pre-approve all audit services and permissible non-audit services as set forth in Section 10A(i) of the Exchange Act.
- 2) The Committee shall have sole authority to appoint, determine funding for and oversee the External Auditors as set forth in Section 10A(m)(2) of the Exchange Act.
- 3) The Committee shall establish procedures for complaints as set forth in Section 10A(m)(4) of the Exchange Act, including the (i) receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls and auditing matters, and (ii) confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- 4) The Committee shall have the authority to engage and determine funding for independent counsel and other advisors as set forth in Section 10A(m)(5) of the Exchange Act.
- 5) The Committee shall prepare the report of the Committee required by the rules of the Commission 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 an Annual Report on Form 10-K).
- 6) The Committee shall review and discuss with management and the External Auditors the audited financial statements and disclosures to be made in management's discussion and analysis, prior to the filing of each Annual Report on Form 10-K (or the Annual Report to Shareholders if distributed prior to the filing of an Annual Report on Form 10-K).
- 7) The Committee shall review and consider with the External Auditors the matters required to be discussed by Statement of Auditing Standards ("SAS") No. 61, as that statement may be amended from time to time, including, without limitation, the amendments contained in SAS No. 90.
- 8) As a whole, or through the Chairperson, the Committee will review and discuss with management and the External Auditors the Company's quarterly financial statements, including disclosures made in management's discussion and analysis, prior to the filing of each Quarterly Report on Form 10-Q, including the results of the External Auditors' reviews of the quarterly financial statements.
- 9) The Committee shall review and concur in the appointment, replacement or dismissal of the Internal Auditor, and shall ensure there are no unjustified restrictions or limitations on the activities of the Internal Auditor.



10) The Committee shall review with management and the Internal Auditor the charter, plans activities, staffing and organizational structure of, and shall periodically review the effectiveness of, the Company's internal audit function.

11) The Committee shall review and discuss with management, the Internal Auditor and the External Auditors the quality and adequacy of the Company's financial controls and procedures.

12) The Committee shall discuss with management the Company's earnings press releases, including the use of "pro forma" or "adjusted" non-GAAP information, as well as financial information and earnings guidance provided to analysts and rating agencies.

13) The Committee shall discuss with management and the External Auditors the effect of regulatory and accounting initiatives, as well as off-balance sheet structures on the Company's financial statements.

14) The Committee shall:

- Request from the External Auditors annually a formal written statement delineating all relationships between the External Auditors and the Company consistent with Independence Standards Board Standard Number 1;
- Discuss with the External Auditors any disclosed relationships and their impact on the independence of the External Auditors; and
- Recommend that the Board take appropriate action in response to the report of the External Auditors to satisfy itself of the independence of the External Auditors.

15) The Committee shall review the performance of the Company's Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer and Controller as their performance relates to financial controls and procedures.

16) The Committee shall review and approve the Company's investment policy.

17) With respect to compliance oversight responsibilities, the Committee shall:

- Obtain from the External Auditors acknowledgement that the provisions of Section 10A of the Exchange Act (regarding, among other things, audit procedures designed to detect illegal acts and related-party transactions and the Company's operations as a going concern) have been observed.
- Obtain reports from the Company's Director of Human Resources, the External Auditors and the Internal Auditor that the Company and its subsidiaries are in conformity with applicable legal requirements and the Company's Code of Conduct. The Committee will also review reports and disclosures of related party transactions and advise the Board with respect to the Company's



policies and procedures regarding compliance with applicable laws and regulations and with the Company's Code of Conduct.

- Discuss with management and the External Auditors any material correspondence between the Company and regulators or governmental agencies and any employee complaints or published reports which raise material issues regarding the Company's financial statements or accounting policies.
- Discuss with the Company's General Counsel or external legal counsel any matters that may have a material impact on the Company's financial statements or compliance policies.

18) Annually review its own performance and this Charter and recommend to the Board any proposed changes to this Charter.