

**ANIKA THERAPEUTICS, INC.**  
**Audit Committee Charter**

The Board of Directors (the “Board”) of Anika Therapeutics, Inc. (the “Company”) has approved this amendment and restatement of its Audit Committee Charter (this “Charter”), effective as of August 30, 2016, to delineate the responsibilities of the Audit Committee of the Board (the “Committee”).

The purposes of the Committee are to:

- oversee the Company’s accounting and financial reporting processes and financial statement audits;
- take, or recommend that the Board take, appropriate actions to oversee the qualifications, independence and performance of the Company’s audit firm; and
- provide the audit committee report required to be included in the Company’s proxy statements.

For purposes of this Charter:

- “Exchange Act” means the Securities Exchange Act of 1934;
- “Executive” means an individual designated by the Board as an “officer” of the Company for purposes of Exchange Act Section 16;
- “GAAP” means accounting principles generally applied in the United States;
- “Independent Auditors” means the independent registered public accounting firm acting as auditor of the Company’s annual financial statements;
- “Member” means a director who is a member of the Committee;
- “PCAOB” means the Public Company Accounting Oversight Board; and
- “SEC” means the Securities and Exchange Commission.

**COMPOSITION**

*Number:* The Committee shall consist of at least three Members, including a Chair.

*Appointment:* Members, including the Chair, shall be appointed annually by the Board, based on recommendations from the Governance and Nominating Committee. Members may be replaced or removed by the Board at any time, with or without cause. Resignation or removal of a Member from the Board, for whatever reason, shall automatically constitute resignation or removal from the Committee. Any vacancy on the Committee may be filled only by the Board.

*NASDAQ Financial Sophisticate:* At least one Member shall have past employment experience in finance or accounting, requisite professional certification in accounting, or other comparable experience or background that results in the Member’s financial sophistication, including having been a chief executive officer, chief financial officer or other executive officer with financial oversight responsibilities, as required by NASDAQ Listing Rule 5605(c)(2)(A).

*SEC Financial Expert:* At least one Member shall qualify as an “audit committee financial expert” under Item 407(d)(5) of SEC Regulation S-K. A Member is an audit committee financial expert if he or she has:

- an understanding of financial statements, GAAP, internal control over financial reporting and audit committee functions;
- an ability to assess the general application of GAAP in connection with accounting for estimates, accruals and reserves; and

- experience (a) preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to those that the Company's financial statements can reasonably be expected to raise or (b) actively supervising individuals engaged in those activities.

A Member may have acquired the preceding attributes through:

- education and experience as, or experience actively supervising, a principal financial officer, principal accounting officer, controller, public accountant, auditor or similar officeholder;
- experience overseeing or assessing the performance of companies or public accountants with respect to the preparation, auditing or evaluation of financial statements; or
- other relevant experience.

*Member Qualifications:*

Each Member must meet the following requirements.

Financial Literacy:

Each Member must be able to read and understand fundamental financial statements as required by NASDAQ Listing Rule 5605(c)(2)(A)(iv).

NASDAQ Independence:

Each Member must meet the independence standards established by NASDAQ Listing Rule 5605(a)(2). A Member is not considered independent for this purpose if he or she:

- is, or at any time during the past three years was, employed by the Company, or is a Family Member of an individual who is, or at any time during the past three years was, employed as an Executive;
- accepted (or has a Family Member who accepted) more than \$120,000 in compensation from the Company during any period of twelve consecutive months within the last three years, other than:
  - compensation for Board or Board committee service;
  - compensation paid to a Family Member who is an employee (other than an Executive) of the Company; and
  - benefits under a tax-qualified retirement plan or non-discretionary compensation;
- is (or has a Family Member who is) a partner, controlling shareholder or executive officer of any organization to which the Company made, or from which the Company received, payments for property or services in the current or any of the prior three fiscal years exceeding five percent of the recipient's consolidated gross revenues for that year (or, if greater, \$200,000), excluding payments from investments in the Company's securities or from non-discretionary charitable contribution matching programs;
- is (or has a Family Member who is) employed as an executive officer of another entity for which, at any time during the preceding three years, an Executive served on its compensation committee; or
- is (or has a Family Member who is) a current partner of the Independent Auditor, or was a partner or employee of the Independent Auditors who worked on the Company's audit during any of the preceding three years.

“Family Member” means, with respect to a Member, a child, stepchild, parent, stepparent, spouse or sibling of such Member, a mother-, father-, son-, daughter-, brother- or sister-in-law of such Member, or any other person (other than a tenant or employee) sharing a household with such Member.

SEC Independence:

Each Member must meet the independence standards established by Exchange Act Rule 10A-3(b)(1). A Member is not considered independent for this purpose if:

- the Member accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the Company or a subsidiary (other than compensation under a retirement plan for prior service that is not contingent on continued service); or
- the Member is an affiliate of the Company;

in each case, other than in the Member’s capacity as a member of the Board, the Committee or another Board committee.

Financial Statement Preparation:

No Member may have participated in the preparation of the financial statements of the Company or a subsidiary at any time during the preceding three years.

**RESPONSIBILITIES**

The following functions shall be common recurring activities of the Committee. These functions shall serve as a guide, with the understanding that the Committee may carry out additional functions and adopt additional procedures in light of changing business, legislative, regulatory, legal or other conditions or of the delegation to the Committee by the Board of additional responsibilities.

*Independent Auditors and Project Accountants:*

The Committee shall select, retain, oversee, terminate and determine the compensation of the Independent Auditors and, to the extent desirable, one or more other registered public accounting firms engaged to perform other audit, review or attest service projects for the Company (each, “Project Accountants”).

Independence Assessment:

Initial Engagement

Before approving the initial engagement of any Independent Auditors, the Committee shall obtain and review a formal written statement of the Independent Auditors describing:

- all relationships between the Independent Auditors or any of its affiliates and the Company or persons in financial reporting oversight roles at the Company that, as of the date of the communication, may reasonably be thought to bear on independence; and
- the potential effects of the disclosed relationships on the independence of the Independent Auditors, should they be appointed as Independent Auditors.

### Annual Review

The Committee annually shall:

- request that the Independent Auditors provide the Committee with the written disclosures and letter required by the applicable rules of the PCAOB regarding the Independent Auditors' communications with the Committee concerning auditor independence;
- require that the formal written statement of the Independent Auditors describe all relationships between the Independent Auditors or any of its affiliates and the Company or persons in financial reporting oversight roles at the Company that might reasonably be thought to bear on the independence of the Independent Auditors;
- discuss with the Independent Auditors the potential effects of any disclosed relationships or services on the objectivity and independence of the independent auditor;
- require that the Independent Auditors provide to the Committee written affirmation that the Independent Auditors are, as of the date of the affirmation, independent in compliance with PCAOB Rule 3520;
- based on such disclosures, statements, discussions and affirmations (and such other matters as the Committee deems relevant), take, or recommend that the Board take, appropriate action in response to the Independent Auditors' report to satisfy itself of the Independent Auditors' independence; and
- consider whether, in order to assure continuing auditor independence, there should be regular rotation of the audit firm.

### Oversight:

The Committee shall oversee the work of the Independent Auditors and the Project Accountants, including resolving disagreements between management and the Independent Auditors regarding financial reporting, and instruct the Independent Auditors to report directly to the Committee.

### Performance Evaluation:

The Committee shall evaluate the qualifications, performance and independence of the Independent Auditors, and present its conclusions with respect thereto to the Board. The Committee shall seek the opinions of management and internal auditors, if any, in evaluating the performance of the Independent Auditors. In evaluating the Independent Auditors, the Committee shall annually take the following actions:

- obtain and review a report or reports from the Independent Auditors describing:
  - the Independent Auditors' internal quality-control procedures;
  - any material issues raised by the most recent internal quality-control review or peer review of the Independent Auditors or by any inquiry or investigation by government or professional authorities, within the preceding five years, regarding one or more independent audits carried out by the Independent Auditors, and any steps taken to address any such issues; and

- all relationships between the Independent Auditors and the Company; and
- review and evaluate the performance of the Independent Auditors and the lead audit partner (and other members of the Independent Auditors' audit staff).

Approval:

The Committee shall:

- annually review and approve the scope, budget and staffing of the audit plan with the Independent Auditors and the Executives who are responsible for preparing the Company's financial statements;
- establish and periodically review policies and procedures for the pre-approval of permitted non-audit services; and
- pre-approve all audit services (which may include providing comfort letters in connection with securities underwritings) and permitted non-audit services to be provided by the Independent Auditors or the Project Accountants.

The Chair shall have the authority, on behalf of the Committee, to amend or modify the scope and nature of, and fees associated with, permitted non-audit services and fees that were previously approved by the Committee. The Chair shall report any such amendments or modifications to the Committee at the following Committee meeting.

Rotation Confirmation:

The Committee shall annually assure the regular rotation of the lead and concurring audit partners of the Independent Auditors, as required under the Exchange Act and SEC Regulation S-X.

Hiring Policy:

The Committee shall recommend to the Board policies with respect to the potential hiring of current or former employees of the Independent Auditors.

*Audited Annual  
Financial Statements:*

Prior to the filing of the Company's Annual Report on Form 10-K for a fiscal year, the Committee shall review and discuss with the Independent Auditors and management responsible for preparing the Company's financial statements the Company's audited annual financial statements for such fiscal year.

Review:

The Committee's review of the audited annual financial statements shall include consideration and review of:

- critical accounting policies and practices used or to be used by the Company;
- material alternative treatments of financial information within GAAP, including the ramifications of using such alternative treatments, and the treatment recommended by the Independent Auditors;
- proposed disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Annual Report on Form 10-K;
- significant financial reporting issues that have arisen in connection with the preparation of the financial statements;

- material written communications between the Independent Auditors and management;
- analyses prepared by management or the Independent Auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements and the reasonableness of those judgments, including:
  - analyses of the effects of alternative GAAP methods, including the treatment recommended by the Independent Auditors, on the financial statements; and
  - in the discretion of the Committee, other material written communications between the Independent Auditors and management, such as any management letter or schedule of unadjusted differences;
- judgments of management and the Independent Auditors regarding the quality of accounting principles;
- major issues as to the adequacy of the Company’s internal control over financial reporting and any specific remedial actions adopted in light of significant deficiencies or material weaknesses, including:
  - discussion with management and the internal auditors, if any, of (a) management’s process for assessing the effectiveness of internal control over financial reporting, (b) changes in internal control over financial reporting that have affected or are reasonably likely to affect the Company’s internal control over financial reporting, and (c) other changes in internal control over financial reporting that were considered for disclosure in the Annual Report on Form 10-K; and
  - discussion with the chief executive officer and the chief financial officer of (a) any 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 information in Exchange Act reports within the required time periods and (b) any fraud involving management or other employees who have a significant role in the Company’s internal control over financial reporting;
- major issues regarding accounting principles and procedures and financial statement presentation, including any significant changes in the Company’s selection or application of accounting principles;
- effects of regulatory and accounting initiatives, as well as off-balance sheet transactions and structures, on the financial statements; and
- the completeness and clarity of the financial statement disclosures.

The Committee’s review may also include:

- accounting adjustments that were noted or proposed by the Independent Auditors but were “passed” (as immaterial or otherwise);
- communications between the Independent Auditors’ audit team and national office regarding auditing or accounting issues presented by the engagement; and

- management or internal control letters issued, or proposed to be issued, by the Independent Auditors.

Discussions:

The Committee shall review and discuss with the Independent Auditors:

- outside of the presence of management, how the Independent Auditors plan to handle the responsibilities under the Private Securities Litigation Reform Act of 1995 and request assurance from the Independent Auditors that Section 10A(b) of the Exchange Act has not been implicated;
- outside of the presence of management, any audit problems or difficulties and management's response thereto, including (a) any difficulties encountered by the Independent Auditors in the course of performing their audit work, including any restrictions on the scope of their activities or their access to information, and (b) any significant disagreements with management;
- matters brought to the attention of the Committee by the Independent Auditors pursuant to PCAOB Auditing Standard No. 16, *Communications with Committees*; and
- the report required to be delivered by the Independent Auditors pursuant to Section 10A(k) of the Exchange Act.

Recommendation to Board:

Based on the Committee's review of the audited annual financial statements and its related discussions with management and with the Independent Auditors, the Committee shall make a recommendation to the Board as to whether the audited annual financial statements should be included in the Annual Report on Form 10-K.

Committee Report:

The Committee shall annually prepare a report in the form required by Item 407(d) of SEC Regulation S-K and approve the report for inclusion in the Company's proxy statement.

*Unaudited Quarterly  
Financial Statements:*

Prior to the Company's filing of a Quarterly Report on Form 10-Q, the Committee shall discuss with management and the Independent Auditors:

- the Company's quarterly financial statements and related disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Quarterly Report on Form 10-Q;
- issues identified by the Independent Auditors pursuant to PCAOB AU Section 722, *Interim Financial Information*;
- significant financial reporting issues arising in connection with the preparation of the quarterly financial statements; and
- management's process for performing quarterly certifications under Section 302 of the Sarbanes-Oxley Act, including the evaluation of the effectiveness of disclosure controls by the chief executive officer and the chief financial officer.

*Earnings Releases:* The Committee shall review and discuss (a) the Company's proposed earnings press releases and (b) financial information and guidance proposed to be provided to analysts, including, in general, the types of information to be disclosed and the types of presentations to be made.

*Risk Management:* The Committee shall review and discuss with management the guidelines and policies that govern the process by which management assesses and manages the Company's exposures to risk, including the Company's major financial risk exposures, and the steps management has taken to monitor and control such exposures.

*Complaint Procedures:* The Committee shall establish, oversee and periodically review the Company's procedures for:

- the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
- the confidential, anonymous submission by employees of concerns regarding accounting or auditing matters.

*Legal and Regulatory Compliance:* The Committee shall:

- periodically discuss with management, legal counsel and the Independent Auditors, and review with the Board, the legal and regulatory requirements applicable to the Company and its subsidiaries, and the Company's compliance with such requirements; and
- if the Committee determines it to be appropriate, recommend to the Board changes or updates to the Company's policies and procedures regarding compliance with applicable laws and regulations.

The Committee shall periodically discuss with management legal matters (including pending or threatened litigation) that may have a material effect on the Company's financial statements or compliance policies and procedures. Management shall deliver to the Members copies of any attorneys' reports of evidence of a material violation of securities laws or breach of fiduciary duty by the Company.

*Policies:* The Committee shall perform such additional responsibilities as are delegated to the Committee in any of the Company's written policies, codes and guidelines that are approved by the Board from time to time.

## **ADMINISTRATION**

*Meetings:* The Committee shall meet as often as it determines is appropriate to carry out its responsibilities under this Charter, but not less than four times a year. Such meetings may be in person or by telephone conference or other communications equipment by means of which all persons participating in the meeting can hear each other. A majority of the Members shall constitute a quorum for purposes of holding a meeting, and the Committee may act by a vote of a majority of the Members present at such meeting. In lieu of a meeting, the Committee may act by unanimous written consent. The Chair of the Committee, in consultation with the other



Members, may determine the frequency and length of Committee meetings and may set meeting agendas consistent with this Charter. The Chair shall ascertain that written minutes of each Committee meeting are kept.

Any director of the Company who is not a Member may attend meetings of the Compensation Committee, *provided* that any such director may not vote on any matter coming before the Committee for a vote. The Committee also may invite to its meetings any member of management of the Company and such other persons as it deems appropriate in order to carry out its responsibilities. The Committee may meet in executive session, as the Committee deems necessary or appropriate.

*Board Reports:*

The Committee shall report regularly to the Board on the Committee's discussions and actions, including issues with respect to the quality or integrity of financial statements, compliance with legal or regulatory requirements, the performance and independence of the Independent Auditors, performance of the internal audit function, other significant issues arising at Committee meetings, and any other matters that the Committee deems appropriate or is requested to review for the Board's benefit.

*Subcommittees:*

In fulfilling its responsibilities, the Committee shall be entitled to establish and delegate authority to one or more subcommittees comprised of one or more Members and, to the extent not expressly reserved to the Committee by the Board or by applicable law, rule or regulation, to any other committee of directors of the Company appointed by it, which may or may not be composed of Members.

*Compensation:*

A Member may receive additional fees as compensation for the time and effort expended to fulfill Committee duties. A Member may not receive from the Company, directly or indirectly, any consulting, advisory or other compensatory fee, other than in the Member's capacity as a member of the Board, the Committee or another Board committee.

*Annual Reviews:*

Performance:

The Committee shall, in coordination with the Governance and Nominating Committee, conduct an annual evaluation of the Committee's performance and report to the Board on the results of such evaluation.

Charter:

The Committee shall annually review and reassess the adequacy of this Charter and submit any proposed changes to the Board for approval.

Conflict of Interest Policy:

The Committee shall annually review and reassess the adequacy of the Company's Conflict of Interest Policy and submit any proposed changes to the Board for approval.

## **ADDITIONAL AUTHORITY**

*Access:* The Committee shall have full access, when determined by the Committee to be necessary or appropriate, to the Company's books, records, personnel, outside legal counsel or other professionals retained by the Company.

The Committee is authorized to request that any Executive or other employee of the Company, the Independent Auditors, the Project Accountants, or any representatives of the Company's outside legal counsel or other professionals attend a meeting of the Committee or meet with any Members or advisors to the Committee.

*Engagement of Advisors:* The Committee may engage independent legal counsel, accountants, experts or other advisors as it deems necessary or advisable to carry out its responsibilities, and may determine the compensation or fees payable to, and oversee the work of, such advisors.

*Expenses:* The Committee shall receive appropriate funding from the Company, as determined by the Committee, for the payment of:

- ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out the Committee's responsibilities; and
- compensation to the Independent Auditors, the Project Accountants, outside legal counsel and any other advisors to the Committee.

## **INTERPRETATION**

*Reliance:* In performing its oversight responsibilities under this Charter, the Committee shall be entitled to rely upon advice and information that it receives in its discussions and communications with management, the Independent Auditors, and such experts, professionals and other advisors as may be consulted by the Committee.

*Citations:* Where a statute, rule, regulation or other governmental requirement is referenced in this Charter, the provisions of such requirement shall be deemed to be incorporated herein and shall not be limited by any description of such requirement provided herein.

*Limitations:* Notwithstanding the responsibilities of the Committee set forth in this Charter, the Committee does not have the responsibility of planning or conducting audits of the Company's financial statements or determining whether the Company's financial statements are complete, accurate and in accordance with GAAP. Such responsibilities are the duty of management and, to the extent of their audit responsibilities, the Independent Auditors.