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MESA LABORATORIES, INC. AUDIT COMMITTEE CHARTER

The Audit Committee (the “Committee”) assists the Board of Directors (the “Board”) of Mesa Laboratories, Inc. (the “Company”) in fulfilling its responsibilities as to the quality and integrity of the Company’s financial records and reports. The Committee’s purpose is to prepare the report that rules of the Security and Exchange Commission (“SEC”) require be included in the Company’s annual proxy statement and to assist Board oversight of:

- the integrity of the Company’s financial statements;
- the Company’s compliance with legal and regulatory requirements;
- the independent auditor’s performance, qualifications and independence;
- the performance of the Company’s internal audit function and independent auditors; and
- the company’s systems of disclosure controls and procedures, internal controls over financial reporting and compliance with ethical standards adopted by the company.

ORGANIZATION

The Committee shall be composed of members of the Board who are independent of the Company’s management and are not affiliates of the Company or any of its subsidiaries. No Committee member may receive any consulting, advisory or other fees from the company other than director and committee fees. No Committee member may simultaneously serve on the audit Committee of more than two other public company audit committees. Each Committee member must be able to dedicate the time necessary to be an effective Committee member. All Committee members must be financially literate, and the Committee will maintain at least one member who will have accounting or related financial management expertise and will be a “financial expert” as defined by the SEC. Such financial expert must have an understanding of generally accepted accounting principles (“GAAP”) and financial statements, experience in the preparation or auditing of financial statements of generally comparable companies and the application of such principles in connection with the accounting for estimates, accruals and reserves, experience with internal accounting controls and understanding of audit Committee functions.

The Committee shall have at least three members and shall be appointed by the Board, to serve an annual term. Committee members may be replaced by the Board. One Committee member shall be designated as the Chairperson.

The Chief Financial Officer of the Company shall be the member of management to serve in a liaison capacity with respect to the Committee. At its discretion, the Committee shall have direct access to the independent auditors, legal counsel, the Controller (or equivalent position), the internal auditors and any other individual within the Company necessary to the Committee’s discharge of its duties.

The Company shall provide the Committee with sufficient funding for it to engage and retain its own advisors.



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MEETINGS

The Committee shall meet at least quarterly, unless otherwise agreed. The Chair may call additional meetings whenever circumstances warrant. The Committee shall meet separately, periodically, with management, the internal auditors (or other personnel responsible for the internal audit function) and the independent auditors. A quorum for meeting shall be at least two members, present in person or by telephone, and adequate notice of meetings shall be given to all members.

Independent directors who are not Committee members may attend meetings and participate in the Committee's deliberations. The independent auditors as well as officers and employees of the Company may be asked to attend by the Chair. Non-Committee members may be excused from all or any portion of a meeting at the request of the Chair.

Minutes of each meeting will be prepared and the Committee will report the results of its meetings to the Board on a regular basis.

AUTHORITY AND SPECIFIC DUTIES

While the Committee has the specific 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 and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the independent auditors.

The Committee is granted the authority to perform each of the specific duties enumerated below:

Independent Audit

1. Establish a clear understanding with management and the independent auditors that the independent auditors are ultimately accountable to the Board and the Committee, as representatives of the Company's shareholders.
2. Select the independent auditing firm to be engaged to conduct the annual audit of the financial statements, and if applicable, the audit of internal controls over financial reporting, of the Company and its subsidiaries for the ensuing year.
3. Approve the compensation of the independent auditors for their annual audit and quarterly reviews, examine the contents of their engagement letter and approve and oversee all auditing services and any other pre-approved non-audit services to be provided to the Company.
4. At least annually, obtain and review a report by the independent auditors describing (a) the firm's internal quality-control procedures, (b) any material issues raised by the most recent internal quality-control review or peer 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, (c) any steps taken to deal with any such issues and (d) (to assess the auditor's independence) all relationships between the independent auditors and the Company. Consider whether, in the interest of independence, there should be regular rotation of the audit firm. Confirm that the lead audit partner and the audit partner responsible for reviewing the audit are rotated at least once every five years. Present its conclusions on the foregoing matters to the Board.



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5. Review with the independent auditors, prior to the beginning of their audit, the scope of their examination and planning and staffing of the audit.
6. Discuss with the independent auditors the matters required to be discussed under the standards of the Public Company Accounting Oversight Board "PCAOB".
7. Understand the scope of the internal and independent auditors' review of internal control over financial reporting and obtain reports on significant findings and recommendations, together with management responses
8. 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: a) any significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize, and report financial data; and b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls.
9. Meet with the independent auditors, without management present, and inquire as to:
 - whether there were any audit problems or difficulties encountered during their audit, including any restrictions on the scope of activities or access to requested information, and management's response;
 - whether there were accounting or disclosure issues not resolved to their satisfaction; and
 - whether there were any other matters (including matters affecting their independence) that should be discussed with the Committee that have not been raised or covered elsewhere.
10. Report the results of the audit to the Board and, if the Committee is satisfied with all of its reviews and discussions, recommend that the audited financial statements be included in the Annual Report on Form 10-K filed with the SEC.
11. Obtain from the independent auditors an annual written communication that is prepared in accordance with PCAOB Standards delineating all relationships of the independent auditors with the Company as well as the nature and extent of the professional advisory services provided to the Company.
12. Resolve any disagreements between the independent auditors and management.
13. Review and evaluate the independent auditors' qualifications, independence and performance, including a review and evaluation of the lead partner of the auditor, taking into account the opinions of Company management and personnel responsible for the Company's internal audit function, and, if necessary, terminate and replace the independent auditor or lead partner.

Interim and Annual Financial Reports

14. Review and discuss the Company's interim and annual financial statements with management and the independent auditors, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations."



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15. Generally discuss earnings and 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.

16. Either all members of the Committee or the Chair of the Committee will discuss with the independent auditors the results of their review of the interim financial results in accordance with PCAOB Standards, such that the results are communicated prior to the filing with the SEC of the Company’s Quarterly Report on Form 10- Q.

17. Discuss with outside counsel and other members of management the substance of any significant litigation, contingencies or claims that had, or may have, a significant impact on the financial statements.

18. Obtain timely reports from the independent auditors, in compliance with PCAOB Auditing Standards No. 16, regarding:

- The appropriateness and consistent application of the Company’s critical accounting policies and practices;
- All alternative treatments of financial information with generally accepted accounting principles discussed between the independent auditors and management, the ramifications of the use of such alternative treatments and the independent auditors’ preferred treatment;
- The reasonableness of significant estimates and judgments;
- The clarity and completeness of the Company’s financial disclosure practices;
- Any other material written communication between the auditors and management, such as any management letter or schedule of unadjusted differences; and
- Discuss with management and the independent auditors the quality, not just acceptability, of the Company’s accounting principles.

Internal Controls

19. Review and discuss the activities of management to provide reasonable assurance as to the adequacy and effectiveness of the Company’s internal accounting and financial controls, including those related to the security of its information systems and risk assessment and risk management.

20. Review the independent auditors’ letter to management containing suggestions for improvements in the Company’s accounting policies, procedures and internal controls, and ascertain that management has adequately responded to the letter.

21. Review the appointment and replacement of the senior internal auditing executive as applicable.

22. Receive quarterly reports from management on the Company’s risk exposure to floating rate debt, and review the terms and market value of all derivative instruments used to manage interest rate and other financial risk.



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23. Obtain reports from management, and the Company's senior internal auditing executive that the Company and its subsidiaries are in compliance with applicable laws and regulations, as well as the Company's code of Business Conduct and Ethics. Review reports and disclosures of insider and affiliated party transactions.

Other

24. Pre-approve all non-audit services to be provided to the Company by the independent auditors and confirm that such services are not prohibited by law, the PCAOB, or the rules of The Nasdaq Stock Market and are disclosed in the Company's SEC filings.

25. Engage any outside advisors that the Committee determines to be necessary or appropriate and approve the compensation and other retention terms of such advisors.

26. Review the adequacy of the professional qualifications of the Company's accounting personnel and assess succession planning within the Company's accounting organization.

27. Establish hiring policies for employees and former employees of the independent auditors. Confirm that within the year preceding the start of each year's audit, none of the Company's Chief Executive Officers, Chief Financial Officer, Controller, Chief Accounting Officer or any person serving in an equivalent position for the Company was employed by the independent auditors or participated in any capacity in the Company's audit.

28. Receive explanations from management or the independent auditors of changes in, or adoption of, accounting principles and reporting and auditing standards that have had, or may have, an effect on the financial statements.

29. Review the Company's major financial exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.

30. Review the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.

31. Receive briefings on other accounting and financial matters on a regular basis to expand each member's knowledge of matters impacting the Company.

32. Provide oversight and review of the Company's asset management policies, including annual review of the Company's investment policies and performance for cash and short-term investments.

33. Review and approve all related party transactions and review all disclosures of such transactions.

34. Investigate any other matter brought to the Committee's attention within the scope of its duties and retain outside legal counsel and other experts for this purpose if, in the Committee's judgment, that is appropriate.

35. Obtain from the independent auditors assurance that Section 10A of the Securities Exchange Act of 1934 has not been implicated.



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36. Establish 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 Company employees of concerns regarding questionable accounting or auditing matters.
37. Review and reassess this charter as circumstances dictate, but no less frequently than annually.
38. Review and evaluate the performance of the Committee at least annually.