

**CANTEL MEDICAL CORP.**

**CHARTER OF THE AUDIT COMMITTEE  
OF THE BOARD OF DIRECTORS**

(Revised as of October 14, 2016)

**I. PURPOSE AND FUNCTION**

The purpose of the Audit Committee (the “Committee”) of Cantel Medical Corp. (“Cantel” or the “Company”) is to assist the Board of Directors of the Company (the “Board”) in fulfilling its oversight responsibilities with respect to (1) the quality and integrity of the Company's financial reporting process and the resultant financial statements, and the effectiveness of the independent audit thereof, (2) the Company's compliance with legal and regulatory requirements, (3) the qualifications and independence of the independent registered public accounting firm retained by the Company (the “Independent Auditor”), and (4) the performance of the Company's internal audit function and the Independent Auditor.

The Committee will assist the Board in fulfilling its oversight responsibilities by:

1. Appointing, retaining (or terminating) and overseeing the work of the Independent Auditor, including:
  - (a) Approving the fees of the Independent Auditor;
  - (b) Providing an open avenue of communication between the Independent Auditor and the Board; and
  - (c) Reviewing and appraising with management the performance of the Independent Auditor.
2. Providing direction to the Director of Internal Audit on a regular basis, with the primary finance and accounting executives of the Company providing day-to-day tactical direction to the Director of Internal Audit, both in line with the purpose and intent of this dual reporting structure.
3. Assessing the quality and integrity of financial reports and other financial and related information released by the Company to the public, or, in certain circumstances, governmental bodies.
4. Reviewing the Company’s accounting, financial reporting and compliance processes, including:
  - (a) Reviewing the Company’s system of internal controls regarding finance and accounting;
  - (b) Reviewing the Company’s processes for monitoring business conduct and ethics and legal compliance, which management and the Board have established in connection with such matters; and

- (c) Receiving and investigating notices of financial and compliance improprieties.
5. Preparing the report required by the rules of the Securities and Exchange Commission (the "SEC") to be included in the Company's annual proxy statement.

The Audit Committee shall have the authority, in its discretion, to conduct any investigation appropriate to fulfilling its responsibilities, though such authority does not create any specific duty beyond the duties set forth in this Charter of the Committee (the "Charter"). The Audit Committee shall also have the authority to engage independent counsel and other advisors, as it deems necessary, to carry out its duties and responsibilities. Furthermore, the Audit Committee may request any officer or employee of the Corporation or the Corporation's outside counsel or independent auditors to attend a meeting of the Audit Committee or to meet with any members of, or consultants to, the Audit Committee.

Each member of the Audit Committee may rely, to the extent reasonable, on the information, opinions, reports, and statements of the Corporation's management, independent auditors, and other advisors.

The Committee shall have a clear understanding with the Independent Auditor that they must maintain an open and transparent relationship with the Committee, that the ultimate accountability of the Independent Auditor is to the Committee and that the Independent Auditor must report directly to the Committee. The Committee shall make regular reports to the Board concerning the Committee's activities.

The Company shall provide appropriate funding, as determined by the Committee, (i) to pay the Independent Auditor engaged for purposes of rendering an audit report or related work or performing other audit, review or attestation services, (ii) to pay any experts, consultants or advisors engaged by the Committee, and (iii) for ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

The Committee shall give prompt notice to the Company's Chief Financial Officer of all expenditures by the Committee.

The Committee may form and delegate authority to subcommittees consisting of one or more members, when appropriate, including the authority to grant pre-approvals of audit and permitted non-audit services, *provided* that decisions of such subcommittee to grant pre-approvals shall be presented to the full Committee at its next scheduled meeting.

## **II. COMMITTEE COMPOSITION**

The Committee shall be comprised of three or more directors, each of whom shall meet the independence requirements of the SEC and the New York Stock Exchange ("NYSE"). No member of the Committee, other than in his capacity as a member of the Board or a committee, shall (i) accept any consulting, advisory or other fee from the Company or any subsidiary of the Company or (ii) be an affiliated person of the Company or any subsidiary of the Company. No Committee member shall serve simultaneously on the audit committees of more than two other public companies without the consent of

the Board of Directors. Such consent may be given by the Board only if it determines that such simultaneous service will not impair the ability of such member to effectively serve on the Company's Committee.

All members of the Committee shall meet the expertise requirements of the SEC and the NYSE. All members shall have a basic understanding of finance and accounting and be able to read and understand fundamental financial statements, and at least one member of the Committee shall qualify as an "audit committee financial expert" as defined by SEC rules.

The members of the Committee shall be elected or reappointed by the Board on the recommendation of the Nominating & Governance Committee annually for a one year term. A Chair shall be appointed by the Board. Committee members may be replaced by the Board.

### **III. MEETINGS**

The Committee will meet with management, the Director of Internal Audit and the Independent Auditor at least quarterly and additionally as members of the Committee determine to be necessary and appropriate. Scheduled meetings of the Committee are (a) to review and approve the scope and fees of the annual audit to be performed by the Independent Auditor, (b) to review and discuss the results of the audit and the Company's 10-K report, prior to its filing, and (c) to meet with the Independent Auditor and senior management periodically to review the Company's financial statements, 10-Q reports and other relevant interim reports before release and/or filing. The Committee shall meet periodically with management, the internal auditors (or other personnel responsible for the internal audit function) and the Independent Auditor in separate executive sessions, and may have such other direct and independent interaction with persons from time to time as the members of the Committee deem appropriate. The Committee may request any officer or employee of the Company or the Company's outside counsel or Independent Auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee. Written minutes of the Committee meetings shall be maintained.

### **IV. RESPONSIBILITIES AND DUTIES**

To fulfill its responsibilities and duties the Committee shall:

#### **Documents/Reports Review**

1. Review and discuss with management and the Independent Auditor, prior to filing, the Company's annual financial statements, quarterly financial statements, the Form 10-K and 10-Q reports and other reports, earnings releases and other financial and related information released to the public, or in certain circumstances governmental bodies, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and any certification, report, opinion or review rendered by the Independent Auditor, and recommend to the Board whether the audited financial statements should be included in the Company's Form 10-K, as appropriate.
2. Discuss with the Independent Auditor the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of the Independent

Auditor's activities or access to requested information, and any significant disagreements with management.

3. Review and discuss with the Independent Auditor and senior management the recommendations of the Independent Auditor included in their management letter, if any, their informal observations regarding the adequacy of overall financial and accounting procedures, and internal controls of the Company, as well any special steps adopted in light of material control deficiencies and the adequacy of disclosures about changes in internal control over financial reporting.
4. Review and discuss with management all Section 302 and 906 certifications and Section 404 internal control reports (including the attestation of the Independent Auditor) required by the Sarbanes Oxley Act of 2002.
5. Review disclosures made to the Committee by the Company's Chief Executive Officer and the Chief Financial Officer during the Forms 10-K and 10-Q certification process regarding any significant deficiencies in the design and operation of internal controls or material weaknesses therein and any fraud that involves management or other employees who have a significant role in the Company's internal controls.
6. Review and discuss, at least annually, a formal written statement from the Independent Auditor describing:
  - (a) The Independent Auditor's internal quality-control procedures; and
  - (b) Any material issues raised by the most recent internal quality-control review, or peer review, of the Independent Auditor, or by inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the Independent Auditor, any steps taken to deal with any such issues, and all relationships between the Independent Auditor and the Company.
7. Review and discuss with the Independent Auditor any documentation supplied by the Independent Auditor as to the nature and scope of any tax services to be approved, as well as the potential effects of the provision of such services on the Independent Auditor's independence.
8. Review and discuss the results of the annual audit with the Independent Auditor, including the Independent Auditor's reports and analyses concerning (a) all critical accounting policies and practices used by the Company, (b) significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including all alternative treatments of financial information within generally accepted accounting principles ("GAAP") that have been discussed with management, the ramifications of the use of the alternative disclosures and treatments, any significant changes in the Company's selection or application of accounting principles, and the treatment preferred by the Independent Auditor,

- (c) significant issues regarding accounting principles and estimates, (d) off-balance sheet items, (e) related person transactions, (f) internal control over financial reporting and disclosure, and (g) any other material written communications between the Independent Auditor and management, such as any management letter or schedule of unadjusted differences. In addition, the Committee shall discuss certain matters required to be communicated by the Independent Auditor to the Committee in accordance with generally accepted auditing standards.
9. 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. Such discussions may be general (consisting of discussing the types of information to be disclosed and the types of presentations to be made), and each earnings release or each instance in which the Company provides earnings guidance need not be discussed in advance.
  10. Discuss with management and the Independent Auditor the effect of regulatory and accounting initiatives, as well as off-balance-sheet structures, on the Company's financial statements.
  11. Discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.
  12. Review and approve the Company's decision to enter into swaps and other derivative transactions that are exempt from exchange-execution and clearing under "end-user exception" regulations established by the Commodity Futures Trading Commission; and review and approve the Company's policies governing the Company's use of swaps and other derivatives transactions subject to the end-user exception.

### **Independent Auditor**

13. Appoint, retain (or terminate) and oversee the Independent Auditor. Oversight responsibility includes the resolution of disagreements between management and the Independent Auditor regarding financial reports. Although the Committee has the sole authority to select and replace the Independent Auditor, the Committee shall recommend that the Board ask the Company's shareholders, at their annual meeting, to ratify the Committee's selection of the Independent Auditor. The Committee shall also approve the compensation of the Independent Auditor.
14. In the context of the Committee's evaluation of the Independent Auditor, the Committee shall:
  - (a) Take into account the opinions of management and the Company's internal auditor;

- (b) Before the engagement of an Independent Auditor and at least annually thereafter, review and discuss with the Independent Auditor the Independent Auditor's independence, including ascertaining any relationships or services that may impair the objectivity and independence of the Independent Auditor, and have the Independent Auditor affirm in writing to the Committee that the Independent Auditor is independent;
  - (c) Evaluate the qualifications, performance and independence of the Independent Auditor, including considering whether the Independent Auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the Independent Auditor's independence, taking into account the opinions of management and internal auditors;
  - (d) Review and evaluate the lead partner of the Independent Auditor;
  - (e) Confirm that no Independent Auditor partner who provides services to the Company earns or receives compensation from the Independent Auditor based on the audit partner procuring engagements with the Company for services or products other than audit, review or attest services;
  - (f) Consider whether, in order to ensure continuing auditor independence, it is appropriate to adopt a policy of rotating the Company's independent auditing firm on a regular basis; and
  - (g) Present its conclusions with respect to the Independent Auditor to the full Board.
15. Meet with the Independent Auditor prior to any audit to review the planning and staffing of the audit.
16. In addition to approving the engagement of the Independent Auditor to audit the Company's consolidated financial statements (including the range of fees and terms thereof), the Committee must approve all use of the Independent Auditor for internal control-related services and non-audit services, other than prohibited non-audit services as specified in Section 10A(g) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and subject to the *de minimis* exception for non-audit services described in Section 10A(i)(1)(B) of the Exchange Act that are approved by the Committee prior to the completion of the audit. Audit and non-audit services must be approved either (a) explicitly in advance or (b) pursuant to a pre-approval policy established by the Committee that is detailed as to the services that may be pre-approved, does not permit delegation of approval authority to the Company's management, and requires management to inform the Committee of each service approved and performed under the policy.
17. Ensure that the lead audit partner assigned by the Independent Auditor to the Company, as well as the reviewing or concurring audit partner and the other audit engagement team

- partners, shall be rotated in accordance with the law, including the rules and regulations of the SEC.
18. Annually consult with the Independent Auditor out of the presence of management about the integrity of internal controls, the completeness and accuracy of the Company's financial statements, and such other matters as the Committee deems necessary and appropriate.
  19. Establish clear hiring policies for current and former employees of the Independent Auditor.
  20. Discuss with the Independent Auditor material issues on which the national office of the Independent Auditor was consulted by the Company's audit team.

### **Financial Reporting Process**

21. Review the integrity of the Company's financial reporting process, both internal and external.
22. Regularly review separately with management and the Independent Auditor any significant audit problems or difficulties encountered during the course of the audit or in connection with the preparation of the financial statements, and management's response, including any restrictions on the scope of work or access to required information or any significant disagreements with management.
23. Review all related person transactions required to be disclosed pursuant to SEC or Public Company Accounting Oversight Board rules.

### **Internal Audit Process**

24. Discuss with management and the Independent Auditor the responsibilities, budget and staffing, and any recommended changes in the planned scope of the Company's internal audit.
25. Review the internal audit department's annual audit plan and all major changes to the plan.
26. Review with the Director of Internal Audit the scope, progress and results of executing the internal audit plan.
27. Receive reports on the status of significant findings and recommendations and management's responses to such findings and recommendations.
28. Periodically review the activities, staffing, organizational structure, reporting relationship and credentials of the Company's internal audit department.
29. Review the appointment, compensation, replacement or reassignment of the Director of Internal Audit.
30. Ensure that the Director of Internal Audit has direct and confidential access to the Committee.

31. Ensure that the Director of Internal Audit is involved in reviewing the Company's reports and filings with the SEC.
32. Review the annual performance of the internal audit function.

### **Ethical and Legal Compliance Oversight Responsibilities**

33. Review and discuss with senior management the Company's overall anti-fraud programs and controls.
34. Review and discuss with the Company's Legal or Compliance counsel legal compliance matters, including the adequacy of the Company's Securities Trading Policy and Code of Business Conduct and Ethics, and recommend any proposed changes in such codes to the Board for approval.
35. Discuss with the Company's legal counsel matters that may have a material impact on the financial statements or the Company's compliance policies and internal controls, including material notices to or inquiries received from governmental agencies.
36. Obtain from the Independent Auditor assurance that there has been no implication of Section 10A(b) of the Exchange Act, which addresses the Independent Auditors requirements pertaining to its (a) required responses to audit discoveries of information indicating that an illegal act has or may have occurred, (b) required responses to failure to take remedial action by the Committee, (c) required responses to failure to take remedial action by the Board, should the Committee fail to take appropriate action, and (d) required responses to both the Board and Committee failing to take appropriate action, which includes requiring the Independent Auditor to resign and file of a report with the SEC pertaining to the discovery of an illegal act that has or may have occurred.
37. Obtain reports from management, the Company's senior internal auditing executive and the Independent Auditor as to the conformity of the Company and its subsidiary/foreign affiliated entities with applicable legal requirements and the Company's Code of Business Conduct and Ethics. Review reports and disclosures of insider and affiliated party transactions. 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 Business Conduct and Ethics.
38. Establish procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding compliance, accounting, internal accounting controls, and auditing matters and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding such matters, consistent with the Company's Code of Business Conduct and Ethics.

39. Discuss with management and the Independent Auditor any correspondence with regulators or governmental agencies and any published reports that raise material issues regarding the Company's financial statements or accounting policies.

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#### **Other Committee Responsibilities**

41. Regularly report to the Board about the Committee's activities and issues that arise with respect to quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the Independent Auditor, and the performance of the internal audit function.

42. Annually prepare a report to shareholders as and to the extent required by SEC rules and regulations. The report should be included in the Company's Form 10-K and/or annual proxy statement to the extent required by applicable SEC rules and regulations.

43. Subject to the Board's duty of risk oversight, discuss with management the Company's policies and procedures with respect to enterprise risk assessment and risk management.

44. Perform any other activities consistent with the Charter, the Company's by-laws, and governing law, as the Committee or the Board deems necessary or appropriate.

45. Ensure that minutes of each meeting are prepared and distributed to all members of the Board and provide periodic summary reports to the Board. The permanent file of the minutes will be maintained by the Secretary or Assistant Secretary of the Company.

46. Review and update the Charter periodically, as conditions dictate. The Charter should be submitted to the Board for approval and published as required by SEC regulations.

47. Evaluate the Committee's performance at least annually.

While the Committee has the responsibilities and powers set forth in the 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 GAAP. This is the responsibility of management and the Independent Auditor. Nor is it the duty of the Committee to conduct investigations, to resolve disagreements, if any, between management and the Independent Auditor other than those regarding financial reporting or to assure compliance with laws and regulations.