

BIOSPECIFICS TECHNOLOGIES CORP.

AMENDED AND RESTATED AUDIT COMMITTEE CHARTER

Revised as of October 21, 2019

1. Purpose

1.1 The purpose of the Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of BioSpecifics Technologies Corp. (the “Company”) is to represent and assist the Board in overseeing and monitoring (a) the integrity of the financial statements of the Company, (b) the Company’s accounting and financial reporting processes and the audits of the Company’s financial statements, (c) the Company’s compliance with legal and regulatory requirements, including financial reporting and disclosure processes, (d) the qualifications, independence and performance of the Company’s registered public accounting firm (the “Independent Auditor”), and (e) the business practices and ethical standards of the Company.

1.2 The Committee members are not professional accountants or auditors, and their functions are not intended to duplicate or to certify the activities of management and the Independent Auditor.

(a) The Committee serves in a Board level oversight role where it (i) oversees the relationship with the Independent Auditor, as set forth in this charter, and (ii) receives information and provides advice, counsel and general direction to management, taking into account its discussions with the Independent Auditor and the experience of the Committee’s members in business, financial and accounting matters.

(b) Management is responsible for, among other matters, (i) the preparation, presentation and integrity of the Company’s financial statements, (ii) accounting and financial reporting principles, and (iii) the Company’s internal controls and procedures designed to promote compliance with accounting standards, applicable laws and regulations and the Company’s ethical standards.

(c) The Independent Auditor is responsible for performing an independent audit of the consolidated financial statements in accordance with generally accepted accounting principles (“GAAP”).

2. Committee Membership

2.1 The Committee shall be comprised of at least three members of the Board, each of whom must (a) qualify as independent under the Company’s Corporate Governance Guidelines, (b) be an “independent director” as such term is defined under the listing rules of The Nasdaq Stock Market, Inc. (the “Nasdaq Rules”) and applicable rules under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), with such exceptions therefrom as such rules may from time to time permit, and (c) not have participated in the preparation of the financial statements of the Company or a current subsidiary of the Company at any time during the past three years.

2.2 Each member of the Committee must be able to read and understand fundamental financial statements, including the Company's balance sheet, income statement, and cash flow statement. At least one member of the Committee shall have past employment experience in finance or accounting, requisite professional certification in accounting or any other comparable experience or background which results in the individual's financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities. One or more members of the Committee shall qualify as an "audit committee financial expert" under the rules promulgated by the Securities and Exchange Commission (the "SEC").

2.3 The members of the Committee shall be nominated and elected periodically by the Board. Committee members shall serve for such term or terms as the Board may determine and may be replaced or removed by the Board with or without cause. Resignation or removal of a director from the Board, for whatever reason, shall automatically and without any further action constitute resignation or removal, as applicable, from the Committee. Any vacancy on the Committee, occurring for whatever reason, may be filled only by the Board.

2.4 The Chairperson of the Committee shall be elected by a majority vote of all of the Committee members; provided, however, the foregoing shall not apply if the Board decides to elect the Chairperson of the Committee.

2.5 No member of the Committee may serve simultaneously on the audit committee of more than two other public companies, unless the Board determines that such simultaneous service would not impair such director's ability to serve effectively on the Committee and such determination is disclosed in the Company's proxy statement.

3. Compensation

The compensation of Committee members shall be as determined by the Board. A member of the Committee may not, other than in his or her capacity as a member of the Committee, the Board or any other committee established by the Board, receive, directly or indirectly, any consulting, advisory or other compensatory fee from the Company or any of its subsidiaries.

4. Meetings

4.1 The Committee shall meet at least four times annually or more frequently as circumstances dictate or as the Committee or its Chairperson deem advisable. The Committee may meet in person or telephonically or by similar communications equipment.

4.2 A majority of the members of the Committee 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.

4.3 The Chairperson of the Committee, in consultation with the other Committee members, may determine the frequency and length of the Committee meetings and may set meeting agendas consistent with this charter.

4.4 The Committee shall meet in executive session with the Independent Auditor, without management present, at least annually and at the time the Company reviews the financial statements with the Independent Auditor.

4.5 The Committee shall meet in executive session with the principal financial officer and management at least annually and at the time the Company reviews the financial statements with the Independent Auditor.

4.6 The Committee will cause adequate minutes of all its proceedings to be kept, and will report on its actions and activities at the next meeting of the Board. Committee members will be furnished with copies of the minutes of each meeting and any action taken by unanimous consent.

4.7 The Committee is authorized to adopt its own rules of procedure not inconsistent with (a) any provision of this charter, (b) any provision of the Amended and Restated By-laws of the Company, or (c) the laws of the State of Delaware. In the absence of such adoption of its own rules, the Committee shall be governed by the same rules regarding meetings (including meetings held telephonically or via similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board.

4.8 The Committee is authorized to request that any officer or employee of the Company, the Company's outside legal counsel, the Independent Auditor or any other professional retained by the Company to render advice to the Company attend a meeting of the Committee or meet with any members of or advisors to the Committee.

4.9 The Chairperson of the Committee is to be notified immediately and directly by the principal financial officer and/or the Independent Auditor (a) to review items of a sensitive nature that can impact the accuracy of financial reporting or (b) to discuss significant issues relative to the overall Board responsibility that have been communicated to management but, in their judgment, may warrant follow-up by the Committee.

5. Authority

5.1 The Committee shall have the resources and funding necessary or appropriate for the Committee to discharge its duties and responsibilities as set forth in this charter and as required by law or regulation.

5.2 The Committee may form and delegate authority to subcommittees consisting of one or more of its members as the Committee deems appropriate to carry out its responsibilities and exercise its powers, subject to such reporting to or ratification by the Committee as the Committee shall direct.

5.3 In performing its oversight function, the Committee shall be entitled to rely upon advice and information that it receives in its discussions and communications with management, the Independent Auditor and such experts, advisors and professionals as may be consulted with by the Committee.

5.4 The Committee shall have the authority to engage independent legal counsel and accounting and other advisers, as it determines necessary to carry out its responsibilities and powers. If such advisors are engaged, the Committee shall have sole authority to determine and/or approve the related fees and retention terms. Any communications between the Committee and legal counsel in the course of obtaining legal advice will be considered privileged communications of the Company and the Committee will take all necessary steps to preserve the privileged nature of those communications.

5.5 The Committee may perform such other functions consistent with this charter as the Committee deems necessary or appropriate or as may be requested by the Board from time to time.

5.6 The Committee shall have the authority to conduct and/or authorize investigations into any matters within the scope of its responsibilities as it shall deem appropriate.

6. Responsibilities

Matters Relating to Selection, Performance and Independence of Independent Auditor

6.1 The Committee is directly responsible for the appointment, retention, replacement, and termination, and for determining the compensation, of the Independent Auditor engaged for the purpose of preparing or issuing an audit report or performance of other audit, review or attest services for the Company.

6.2 The Committee is directly responsible for oversight of the work of the Independent Auditor (including resolution of disagreements between management and the Independent Auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company.

6.3 The Committee shall instruct the Independent Auditor to report directly to the Committee.

6.4 The Committee shall (1) request that the Independent Auditor provide the Committee with the written disclosures and the letter required by Public Company Accounting Oversight Board (“PCAOB”) Rule 3526 (“Rule 3526”), (2) require that the Independent Auditor submit to the Committee at least annually a formal written statement delineating all relationships between the Independent Auditor 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 Auditor, (3) actively engage in a dialog with the Independent Auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the Independent Auditor, (4) require that the Independent Auditor provide to the Committee written affirmation that the Independent Auditor is, as of the date of the affirmation, independent in compliance with PCAOB Rule 3520 and (5) based on such disclosures, statement, discussion and affirmation, take or recommend that the Board take appropriate action in response to the Independent Auditor’s report to satisfy itself of the Independent Auditor’s independence. In addition, before approving the initial engagement of any independent auditor, the Committee shall receive, review and discuss with the audit firm all information required by, and otherwise take all actions necessary for compliance with the

requirements of, Rule 3526. References to rules of the PCAOB shall be deemed to refer to such rules and to any substantially equivalent rules adopted to replace such rules, in each case as subsequently amended, modified or supplemented.

6.5 The Committee shall evaluate the Independent Auditor's qualifications, performance and independence, and shall present its conclusions with respect to the Independent Auditor to the Board. As part of such evaluation, at least annually, the Committee shall:

(a) obtain and review a report by the Independent Auditor describing the firm's internal quality-control procedures, any material issues raised by the most recent internal quality-control review or peer review or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, regarding one or more independent audits carried out by the firm, and any steps taken to deal with any such issues, and in order to assess the Independent Auditor's independence, all relationships between the Independent Auditor and the Company;

(b) review and evaluate the performance of the Independent Auditor and the lead partner; and

(c) assure the regular rotation of the audit partners as required under the Exchange Act and Regulation S-X.

6.6 The Committee shall establish policies and procedures for the review and pre-approval of all auditing services and permissible non-audit services. The Committee shall pre-approve all auditing services and the terms thereof (which may include providing comfort letters in connection with securities underwritings) and non-audit services (other than non-audit services prohibited under Section 10A of the Exchange Act or the applicable rules of the SEC or the PCAOB) to be provided to the Company by the Independent Auditor; provided, however, the pre-approval requirement is waived with respect to the provision of non-audit services for the Company if the "de minimis" provisions of Section 10A(i)(1)(B) of the Exchange Act are satisfied. This authority to pre-approve non-audit services may be delegated to one or more members of the Committee, who shall present all decisions to pre-approve an activity to the full Committee at its first meeting following such decision.

6.7 The Committee shall establish policies for the hiring of employees and former employees of the Independent Auditor.

Audited Financial Statements and Annual Audit

6.8 The Committee shall review and discuss with the Independent Auditor: (a) its audit plans and audit procedures, including the scope, staffing, fees and timing of the annual audit; (b) the results of the annual audit examination and accompanying management letters; and (c) the results of the Independent Auditor's procedures with respect to interim periods.

6.9 The Committee shall review and discuss reports from the Independent Auditors on (a) all critical accounting policies and practices used by the Company, (b) issues or judgments made in connection with the preparation of the financial statements, (c) alternative accounting treatments within GAAP related to material items that have been discussed with management,

including the ramifications of the use of the alternative treatments and the treatment preferred by the Independent Auditor, and (d) other material written communications between the Independent Auditor and management.

6.10 The Committee shall review and discuss with the Independent Auditor the Independent Auditor's judgments as to the quality, not just the acceptability, of the Company's accounting principles and such further matters as the Independent Auditors present the Committee under GAAP.

6.11 The Committee shall review and discuss with management and the Independent Auditor various topics and events that may have significant financial impact on the Company or that are the subject of discussions between management and the Independent Auditors.

6.12 The Committee shall (a) discuss with management and the Independent Auditor quarterly earnings press releases, including the interim financial information and Business Outlook included therein, and (b) review the year-end audited financial statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations" prior to the filing of the Company's Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q.

6.13 The Committee shall review and discuss with the Independent Auditor any audit problems or difficulties and management's response thereto. Such review shall include (a) any difficulties encountered by the Independent Auditor in the course of performing its audit work, including any restrictions on the scope of its activities or its access to information and (b) any significant disagreements with management.

6.14 The Committee shall discuss with the Independent Auditor those matters brought to the attention of the Committee by the Independent Auditor pursuant to PCAOB Standard 16, as amended, or any successor requirement.

6.15 The Committee shall review and discuss with the Independent Auditor the report required to be delivered by such Independent Auditor pursuant to Section 10A of the Exchange Act.

6.16 Based on the Committee's review and discussions (a) with management of the year-end audited financial statements and (b) with the Independent Auditor of the matters required to be discussed by Statement on Auditing Standard No. 61 (or its successors), recommends to the Board that the audited financial statements be included in the Annual Report on Form 10-K for the year.

6.17 The Committee shall prepare and publish the report of the Committee required by Item 407(d) of Regulation S-K of the Exchange Act (or any successor provision) to be included in the Company's annual proxy statement.

6.18 The Committee shall review and discuss with management, the Independent Auditor, and the Company's principal financial officer: (a) the adequacy and effectiveness of the Company's internal controls (including any significant deficiencies and significant changes in internal controls reported to the Committee by the Independent Auditor or management); (b) the

Company's procedures relating to the preparation of financial statements; and (c) the adequacy and effectiveness of the Company's disclosures controls and procedures, and management reports thereon.

6.19 The Committee shall review annually with the principal financial officer the scope and budget for the Company relating to Company staff who report directly to the principal financial officer, and also shall review annually the performance of the Independent Auditor.

6.20 The Committee may evaluate the performance of the senior officer(s) responsible for the preparation of the financial statements and advise management on the selection and removal of such officer(s).

Risk Assessment and Compliance

6.21 The Committee shall review and discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.

6.22 The Committee shall review matters related to the corporate compliance activities of the Company. Such review shall involve discussions with management and the Independent Auditor regarding the legal and regulatory requirements applicable to the Company and the Company's compliance with such requirements. Based on its review, the Committee may, if it determines appropriate, make recommendations to the Board with respect to the Company's policies and procedures regarding compliance with applicable laws and regulations.

Procedures for Addressing Complaints and Concerns

6.23 The Committee shall 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 employees of concerns regarding questionable accounting or auditing matters.

6.24 The Committee may review and reassess the adequacy of these procedures periodically and adopt any changes to such procedures that the Committee deems necessary or appropriate.

Related-Party Transactions

6.25 The Committee shall review and approve or disapprove any related-party transactions.

Annual Performance Evaluation and Charter Review

6.26 The Committee shall engage in an annual self-assessment with the goal of continuing improvement. Such assessment shall include an evaluation of the performance of the Committee with respect to the duties and responsibilities of the Committee as set forth in this charter. The Committee will report the results of such evaluation to the Board.

6.27 The Committee shall annually review and reassess the adequacy of its charter, and recommend any amendments or modifications to its charter to the Board.

7. Regular Reports to the Board

The Committee shall regularly report to and review with the Board any issues that arise with respect to the 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, the performance of the principal financial officer, and any other matters that the Committee deems appropriate or is requested to review for the benefit of the Board.

8. Funding and Expenditures

The Company shall provide the Committee appropriate funding for the authorized expenditures provided for herein, as determined by the Committee; such authorized expenditures include, but are not limited to: (i) the payment of compensation to the Company's Independent Auditor, any other accounting firm engaged to perform services for the Company, any outside counsel and any other advisors to the Committee and (ii) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.