

UTAH MEDICAL PRODUCTS, INC.

Audit Committee

COMPOSITION

The audit committee shall be composed of at least three members, each of whom shall: (a) be independent directors as determined under the rules of the principal exchange on which the Company's securities are traded; (b) meet the criteria for independence set forth in all applicable laws and regulations; and (c) not have participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the past three years.

Each member of the audit committee shall be able to read and understand fundamental financial statements, including balance sheets, income statements, and cash flow statements. At least one member of the audit committee shall have had past employment experience in finance or accounting, requisite professional certification in accounting, or other comparable experience or background that results in the individual's financial sophistication.

The Company's board of directors shall determine the qualification of directors to serve on the audit committee and may at any time, in its complete discretion, remove any member of the audit committee and may fill any vacancy on the audit committee. The audit committee chair shall be designated by the board of directors.

Unless expressly approved by the board of directors, no member of the audit committee shall serve on the audit committee of more than three other companies whose securities are traded on a registered national securities exchange.

PURPOSE

The audit committee shall represent and assist the board of directors in fulfilling its oversight responsibilities for the integrity of the Company's financial statements and internal controls, the Company's compliance with legal and regulatory requirements, the independent registered public accounting firm's qualifications and independence, and the performance of the Company's internal audit function and the independent registered public accounting firm.

In performing its oversight role, the audit committee is specifically empowered to investigate any matter it deems necessary with full access to all books, records, facilities, and personnel of the Company and is specifically authorized to engage and obligate the Company to compensate independent counsel and other advisors and to incur administrative expenses, as it deems necessary. Any communications between audit committee members and legal counsel in the course of obtaining legal advice will be considered privileged communications of the Company and the audit committee, and its members will take steps recommended by such counsel to preserve the privileged nature of those communications.

RESPONSIBILITIES

The audit committee shall carry out the identified responsibilities in each of the following areas:

Independent Registered Public Accounting Firm

The audit committee shall:

- ensure the auditor's accountability to the audit committee and, toward that end, be directly responsible for the appointment and termination, compensation, and oversight of the independent registered public accounting firm, including resolving disagreements between management and the independent registered public accounting firm regarding financial reporting;
- preapprove all audit and any nonaudit services provided by the independent registered public accounting firm and shall ensure that the Company does not engage the independent registered public accounting firm to perform any nonaudit services that are proscribed by law or regulation;
- review and discuss the audited financial statements with management;
- discuss with the independent auditor the matters required to be discussed by the Statement on Auditing Standards No. 114 (AICPA, *Professional Standards*, Vol. 1, AU Section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T;
- receive the written disclosures and the letter from the independent auditor required by applicable requirements of the Public Company Accounting Oversight Board concerning independence and discuss with the independent auditor its independence;
- on the basis of the preceding three items, recommend, if determined appropriate to do so, that the audited financial statements be included in the Company's annual report on Form 10-K;
- determine and obligate the Company to pay:
 - compensation to any registered public accounting firm engaged for the purpose of preparing or issuing any report or performing other audit, review, or attest services;
 - compensation to any advisers employed by the audit committee; and
 - ordinary, administrative expenses of the audit committee that are necessary or appropriate in carrying out its duties;
- at least annually, obtain and review a report by the independent registered public accounting firm describing that firm's internal quality control procedures; any material issues raised by the most recent internal quality control review or peer review, or Public Company Accounting Oversight Board 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 that firm and any steps taken to deal with any such issues;

- at least annually, consider the independence of the independent registered public accounting firm, including whether the provision by the independent registered public accounting firm of permitted nonaudit services is compatible with independence, and obtain and review a report from the independent registered public accounting firm describing all relationships between the firm and the Company or individuals in a financial reporting oversight role at the Company, consistent with Independence Standard Board Standard 1, that may reasonably be thought to bear on the firm's independence, and discuss with the firm the potential effects of any disclosed relationships on independence and actively engage in a dialogue with the auditor respecting its disclosed relationships or services that may impact the objectivity and independence of the auditor and take, or recommend that the full board take, appropriate action to oversee the independence of the outside auditor;
- ensure the rotation of the lead audit partner of the independent registered public accounting firm as required by applicable law and regulation and consider whether there should be regular rotation of the audit firm itself; and
- set clear hiring policies for employees or former employees of the independent registered public accounting firm.

Internal Audit and Control

The audit committee shall:

- oversee the adequacy and effectiveness of the Company's internal control system, including information, technology, security, and control;
- review with the independent registered public accounting firm, as necessary, the Company's internal audit function and management: (a) the adequacy and effectiveness of the systems of internal controls (including any significant deficiencies and significant changes in internal controls reported to the audit committee by the independent registered public accounting firm or management), accounting practices, and disclosure controls and procedures (and management reports thereon) of the Company and its subsidiaries; and (b) current accounting trends and developments; and take such action with respect thereto as may be deemed appropriate; and
- review with management the plans, activities, staffing, and organizational structure of the internal audit and review the effectiveness of the internal audit function.

Financial Statements and Periodic Reports

The audit committee shall:

- review significant accounting and reporting issues and understand their impact on the financial statements, including:
 - complex or unusual transactions and highly judgmental areas;

- major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles; and
- the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company;
- review analyses prepared by management and the independent registered public accounting firm setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analysis of the effects of alternative GAAP methods on the financial statements;
- review with management and the independent registered public accounting firm the results of the audit, including any difficulties encountered by the independent registered public accounting firm, any restrictions on the scope of the independent registered public accounting firm's activities or on access to requested information, and any significant disagreements with management;
- review and discuss the annual audited financial statements and quarterly financial statements with management and the independent registered public accounting firm, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" or any similar item in the Company's periodic reports;
- review disclosures made by the chief executive officer and chief financial officer in connection with their certifications of annual and quarterly periodic reports about deficiencies in the design or operation of internal controls or any fraud that involves management or other employees that have a significant role in the Company's internal controls;
- review and discuss all earnings and press releases, as well as financial information and earning guidance provided to analysts and rating agencies; and
- prepare and sign the report that is required to be included in the Company's annual proxy statement.

Compliance and Additional Duties

The audit committee shall:

- conduct an appropriate review and oversight of, and approve, all related-party transactions on an ongoing basis for potential conflict of interest situations that are required to be disclosed pursuant to Item 404 of Regulation S-K as well as such other related-party transactions as the audit committee may deem appropriate in the circumstances;
- review the effectiveness of the Company's system for monitoring compliance with applicable laws and regulations and the results of management's investigative follow-up, including any disciplinary action of any instances of noncompliance;

- establish procedures for:
 - the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
 - confidential anonymous submission by Company employees of concerns regarding questionable accounting or auditing matters;
- adopt a formal document retention policy with respect to the performance by the audit committee of its duties in general and including in particular the protection of documents related to whistleblower complaints and to the audit processes of the Company;
- review the findings of any examinations of the Company by regulatory agencies;
- review and assess the adequacy of the audit committee charter annually, recommending changes to the board of directors as appropriate;
- discuss with management and the independent accountant, when necessary, the Company's policies and procedures with respect to the prevention and detection of fraud;
- take such further action as necessary to comply with all applicable requirements of law and related regulations and the rules of any national securities exchange or national securities association on which the Company's securities are traded, whether or not this charter is amended or supplemented to specifically address such further requirements;
- confirm annually that the audit committee has performed all of its assigned responsibilities; and
- evaluate the performance of the audit committee and of each individual member at least annually and present the results of that evaluation to the board of directors.

MEETINGS

The audit committee shall meet at least four times a year, with authority to convene additional meetings as it determines necessary. Each audit committee member is expected to attend each meeting, in person or via telephone or video conference. The audit committee shall invite members of management, the independent registered public accounting firm, or others to attend meetings and provide pertinent information as it deems necessary. The audit committee shall also meet separately with management and with the independent registered public accounting firm as it deems necessary.

The audit committee shall have appropriate briefing materials prepared at the direction of the audit committee chair and provided in advance to the members of the audit committee. Minutes of each meeting of the audit committee shall be prepared and presented by the audit committee to the board of directors. The Company shall pay necessary and appropriate administrative expenses of the audit committee.

Except when the audit committee as a whole is required by applicable law or regulation to conduct certain activities, the audit committee may delegate activities to one or more of its members; however, the member or members shall be required to report on any such activities at a meeting of the entire audit committee. The audit committee may revoke any delegation of authority at any time.

The audit committee is governed by the same rules regarding meetings (including meetings by telephone conference or similar communications equipment), action without a meeting, notice, waiver of notice, quorum, and voting requirements as are applicable to the board of directors. The audit committee may adopt its own rules of procedure not inconsistent with this charter, the Company's articles of incorporation and bylaws, and applicable law.

EDUCATION

The Company is responsible for providing new members with appropriate orientation briefings and educational opportunities and all members with educational resources related to accounting principles and procedures, current accounting topics pertinent to the Company, financial literacy, and other matters as may be requested by the audit committee.