

CHARTER FOR THE AUDIT COMMITTEE  
OF THE BOARD OF DIRECTORS OF  
ABIOMED, INC.

**Purpose:**

The purpose of the Audit Committee (the “Committee”) established pursuant to this Charter is to perform general oversight of the accounting and financial reporting processes of the ABIOMED, Inc. and its subsidiaries (the “Company”) and the audits of the financial statements of the Company. The Committee shall assist the Board of Directors (the “Board”) of the Company in fulfilling its oversight responsibilities relating to: (a) the quality and integrity of the Company’s financial statements and other financial reports; (b) the Company’s system of internal accounting controls; (c) the performance of the Company’s internal and independent auditors; and (d) the Company’s compliance with legal and regulatory requirements.

In addition, the Committee shall have the authority to undertake the specific duties and responsibilities listed below and the authority to undertake such other specific duties as the Board from time to time may prescribe.

**Membership:**

The Committee shall consist of at least three (3) members of the Board. The members of the Committee shall be appointed by, and shall serve at the discretion of, the Board. All members of the Committee shall meet the independence, financial literacy and other requirements of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), the listing standards of The Nasdaq Stock Market, Inc. (“Nasdaq”) and related rules and regulations. At least one member of the Committee shall qualify as an audit committee financial expert within the meaning of the Exchange Act and the rules and regulations adopted thereunder.

**Responsibilities**

The Committee shall have the following duties and responsibilities:

1. Appoint, retain, establish compensation for, and oversee of the work of any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company (“independent auditors” or “auditors”). The Company’s independent auditors shall report directly to the Committee.
2. Prior to the annual independent audit, review with the independent auditors the auditors’ proposed audit scope and approach and the areas of audit emphasis.
3. Receive from the independent auditors a formal written statement delineating all relationships between the auditors and the Company, consistent with Independence Standards Board Standard 1, actively engaging in a dialogue with the auditor with respect to any disclosed relationships or services that may impact the objectivity and

- independence of the auditor and taking, or recommending that the Board take, appropriate action to oversee the independence of the independent auditors.
4. Review with the independent auditors their judgments as to the quality, not just the acceptability, of the Company's accounting principles and such matters as are required to be discussed with the Committee under generally accepted auditing standards.
  5. Review and discuss reports from the independent auditors concerning: (a) all critical accounting policies and practices used by the Company, (b) alternative accounting treatments within generally accepted accounting principles 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 auditors, and (c) other material written communications between the independent auditors and management.
  6. Discuss with management and the independent auditors the Company's policies and procedures for assessing, monitoring and diminishing business risks.
  7. Review with management and the independent auditors at the completion of the annual audit:
    - (a) the Company's annual financial statements and related footnotes, and the Company's compliance with generally accepted accounting principles and applicable regulations of the Securities and Exchange Commission ("SEC");
    - (b) the independent auditors' audit of the financial statements and the independent auditors' report thereon, including a review of any significant changes required in the independent auditors' audit plan;
    - (c) any changes in accounting principles of the Company; and
    - (d) any other matters related to the conduct of the audit or the audit findings as are required to be communicated to the Committee under generally accepted auditing standards and any applicable SEC regulations.
  8. Review and discuss with management and the independent auditors the Company's Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, quarterly and annual earnings press releases and information prepared by the Company for its regular public conference telephone calls concerning its earnings and results of operations in the context of information provided to the Audit Committee and the Board.
  9. Review with senior management and the independent auditors the Company's accounting and financial personnel resources.
  10. Pre-approve all audit and permitted non-audit services to be performed by the Company's independent auditors, except for *de minimis* activities and amounts under circumstances as permitted by applicable SEC regulations. Establish, if desired by the Committee, policies and procedures for the review and pre-approval of audit and

- permissible non-audit services (including the fees and terms thereof) to be performed by the Company's independent auditors, with exceptions for *de minimis* activities and amounts under circumstances as permitted by applicable SEC regulations.
11. Review the adequacy and effectiveness of the Company's system of internal controls, policies and procedures, and approve policies relating to internal controls and protection of the Company's assets.
  12. Review on a continuing basis the activities, organizational structure and qualifications of the Company's internal audit function to the extent that the size and operations of the Company warrant this function.
  13. If deemed appropriate, recommend to the Board that the audited financial statements be included in the Annual Report on Form 10-K for the year.
  14. Review, in conjunction with counsel, any legal or regulatory matters that could have a significant impact on the financial statements, related company compliance policies, and programs and reports received from regulators.
  15. Prepare a report of the Committee required by the rules of the SEC to be included in the Company's annual proxy statement to the shareholders.
  16. Establish procedures for: (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters and (b) the confidential, anonymous submission by employees of the listed issuer of concerns regarding questionable accounting or auditing matters.
  17. Review all related party transactions (as such term is defined in the Nasdaq listing requirements) for potential conflict of interest situations and, if appropriate, approve such transactions.
  18. Establish for the Company clear hiring policies for employees or former employees of the independent auditors that comply with applicable SEC regulations.
  19. Provide oversight and review of the Company's asset management policies, including an annual review of the Company's investment policies and performance for cash and short-term investments, and approve such policies.
  20. Provide a forum for the independent auditors to meet in closed session with the Committee.
  21. Receive and review the response of the management of the Company to any management letter or report from the independent auditors.
  22. Review, and oversee the resolution of, any disagreement between management and the independent auditors and, if appropriate, make recommendations with respect thereto to the Board.

23. Institute, if necessary, special investigations and, if appropriate, hire special counsel or experts to assist.

24. Perform other oversight functions as requested by the full Board.

In addition to the above responsibilities, the Committee shall undertake such other duties as the Board delegates to it or as are assigned to it by law, and shall report, at least annually, to the Board regarding the Committee's examinations, actions and recommendations.

**Meetings:**

It is anticipated that the Committee will meet at least four (4) times in each fiscal year. However, the Committee may establish its own schedule. Each meeting shall include an executive session that will allow the Committee to maintain free and open communications with the Company's independent auditors.

The Committee shall meet separately with the Chief Executive Officer and the Chief Financial Officer of the Company at least annually to review the financial affairs of the Company. The Committee shall meet with the independent auditors of the Company, at such times as it deems appropriate, to review the independent auditors' examination and management report.

The Committee is authorized, by majority vote or unanimous written consent of its members, to adopt its own rules of procedure, including the formalities of calling, noticing and holding meetings and for the taking of action of the Committee by vote at any such meeting or by unanimous written consent of the members thereof. Unless and until any such procedures are formally adopted by the Committee, the procedures with respect to calling, noticing and holding meetings of the Committee and conducting business of the Committee shall be the same as those provided in the By-laws of the Company with respect to calling, noticing and holding meetings of and taking action by the Board.

**Reports:**

The Committee may present its reports or recommendations to the Board in written or oral form. The Committee's recommendations shall be incorporated as a part of the minutes of the Board meeting at which those recommendations are presented.

**Minutes:**

The Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.

**Other:**

The Committee shall have the right, as and when it shall determine to be necessary or appropriate to the functions of the Committee:

1. at the Company's expense and not at the expense of the members thereof, to retain independent counsel (which may be, but need not be, the regular corporate counsel to the Company) and other advisors to assist it in connection with its functions;

2. at the Company's expense and not at the expense of the members thereof, to incur ordinary administrative expenses that are necessary or appropriate in carrying out its duties; and

3. to request, and to rely upon, advice, orally or in writing, from the Chief Executive Officer and the Chief Financial Officer of the Company and from any representative of the independent auditors to the Company participating in such independent auditors' engagement by the Company, concerning aspects of the operation or financial condition of the Company relevant to the functions of the Committee.

**Cooperation:**

The officers of the Company are requested to cooperate with the Committee and to render assistance to it as it shall request in carrying out its functions.

**Limitation of Audit Committee Responsibility:**

In adopting this Charter, the Board acknowledges that it is not the responsibility of the Committee to prepare the Company's financial statements, plan or conduct audits of those financial statements, or determine whether those financial statements are complete and accurate and conform to generally accepted accounting principles and applicable rules and regulations. These tasks are the responsibility of management and the Company's independent auditors.

**Delegation:**

To the extent permitted by law, the Committee may delegate any of its responsibilities to a subcommittee comprised of one or more members of the Committee.

**Annual Reviews:**

The Committee will review and reassess the adequacy of this Charter on at least an annual basis and will report to the Board the results of such review and reassessment. At least annually, the Committee will conduct an evaluation of its performance to determine whether it is functioning effectively.

Approved by the Board of Directors on June 15, 2004.