

**BIOSCRIP, INC.**  
**CHARTER OF THE AUDIT COMMITTEE OF**  
**THE BOARD OF DIRECTORS**

**Statement of Purpose**

1. *Oversight Responsibility.* The purpose of the Audit Committee of the Board of Directors of BioScrip, Inc., on behalf of itself and each of its subsidiaries (collectively, the “Company”) is to oversee (i) the process and integrity of accounting and financial reporting of the Company; (ii) the audits of the financial statements of the Company; (iii) qualifications, independence and performance of the Company’s independent registered public accounting firm; (iv) performance of the Company’s internal audit function; (v) management’s policies and practices with respect to risk assessment and risk management; and (vi) the Company’s Investment Policy and Investment Committee. This charter is intended to, among other things, guide the Audit Committee as it strives to gain reasonable assurance that management is properly discharging its responsibility in the preparation of the Company’s financial statements.

2. *Other Matters.* While the Audit Committee has the responsibilities and powers set forth in this charter, it is not the role of the Audit Committee to plan or conduct audits or to determine that the financial statements are complete and accurate and prepared in accordance with generally accepted accounting principles. Management is primarily responsible for the preparation and presentation of the financial statements and the appropriateness of the accounting principles and reporting policies that are used by the Company. The independent registered public accounting firm is responsible for auditing the Company’s financial statements and for reviewing the Company’s unaudited interim financial statements. The Board of Directors recognizes that the Audit Committee necessarily will rely on the advice and information it receives from management and internal auditors and the independent registered public accounting firm. Recognizing these inherent limitations on the scope of the Audit Committee’s review, however, the Board expects the Audit Committee to exercise independent judgment in assessing the quality of the financial reporting process and internal controls. The Board also expects that the Audit Committee will maintain free and open communication with the other directors, the Company’s internal auditors and financial management and the independent registered public accounting firm.

**Organization**

1. *Composition and Qualification.* The Audit Committee must be comprised of a minimum of three members. Each member of the Audit Committee must be a member of the Board of Directors of the Company and must: (i) satisfy the independence requirements of Rule 5605(a)(2) of the NASDAQ Corporate Governance Requirements; (ii) meet the criteria for independence set forth in Rule 10A-3(b)(1) under the Securities Exchange Act of 1934 (the “Exchange Act”) (subject to the exemptions provided in Rule 10A-3(c) under the Exchange Act); (iii) 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; and (iv) be able to read and understand fundamental financial statements, including a balance sheet, income statement and cash flow statement, or shall become able to do so within a reasonable time after his or her appointment to the Audit Committee. In addition, at least one member of the Audit Committee shall be designated as the “Audit Committee financial expert” and shall have past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in such member’s financial sophistication. If an Audit Committee member simultaneously serves or, upon appointment to the Audit Committee, would serve on the audit committee of more than three public companies (including the Company), continued service or appointment is contingent on a determination by the Board of Directors that such simultaneous service would not impair the ability of such member to effectively serve on the Audit Committee.

2. *Appointment.* Members of the Audit Committee, including the Chairman of the Audit Committee, will be recommended by the Chairman of the Board and approved by the full Board of Directors.

## **Operation**

1. *Open Communication.* The Audit Committee will maintain regular and open communication among the directors, the independent registered public accounting firm, the internal auditors and management.

2. *Reports to the Board of Directors; Maintenance of Minutes.* The Audit Committee will regularly report committee action to the Board of Directors and may make appropriate recommendations for action by the Board of Directors. The Audit Committee will maintain minutes of each meeting. Upon ratification of any such minutes by the Audit Committee, such minutes shall be filed in the Company's minute book.

3. *Meetings.* The Audit Committee will meet once a quarter, or more frequently as the Chair or any two members of the Audit Committee may call a special meeting as they deem necessary. In planning the annual schedule of meetings, the Audit Committee will ensure that sufficient opportunities exist for its members to meet separately with the independent registered public accounting firm and/or the head of internal audit (or internal audit service providers), without management present; to meet separately with management, without the independent registered public accounting firm and/or the head of internal audit (or internal audit service providers) present; and to meet with only the Audit Committee members present. The Audit Committee shall meet in executive session at least twice a year.

4. *Procedures.* The Audit Committee may adopt such procedures relating to the conduct of its proceedings, as it deems appropriate.

5. *Access to Records, Advisors and Others.* The Audit Committee will have full authority (i) to investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the Company, (ii) to retain independent outside legal counsel, accounting and other advisors to advise the Audit Committee as it determines necessary to carry out its duties and (iii) to request any officer or employee of the Company, the Company's external counsel, the internal auditors or the independent registered public accounting firm to attend meetings of the Audit Committee or to meet with any members of, or advisors to, the Audit Committee. The Audit Committee may engage without the approval of the entire Board of Directors, independent counsel and other advisors as it deems necessary to carry out its duties.

The Company will provide appropriate funding, as determined by the Audit Committee, for payment of the: (i) compensation to 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; (ii) compensation to any advisers employed by the Audit Committee, including independent counsel and other advisers as the Audit Committee determines necessary to carry out its duties; and (iii) ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out the duties of the Audit Committee.

6. *Performance Evaluation.* In addition to any other evaluation process undertaken by the Chairman of the Board, the Board of Directors or any committee thereof, the Audit Committee will establish criteria for evaluating its performance and will conduct such an evaluation on an annual basis.

## **Responsibilities.**

1. *Engagement and Oversight of Independent Registered Public Accounting Firm.* The Audit Committee will directly appoint, retain and compensate, on behalf of the Company, the Company's independent registered public accounting firm. Any engagement of the independent registered public accounting firm by the Audit Committee may be subject to stockholder approval or ratification, as determined by the Board of Directors. The Audit Committee shall be directly responsible for overseeing the work of the independent registered public accounting firm (including resolution of disagreements between management and the independent registered public accounting firm regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company. The independent registered public accounting firm shall report directly to, and be accountable to, the Audit Committee.

2. *Pre-Approval of Audit and Non-Audit Services.* The Audit Committee shall approve in advance, as required by applicable law or listing standards: (1) all audit, review and attest services and all non-audit services provided to the Company by the independent registered public accounting firm, and (2) all fees payable by the Company to the independent registered public accounting firm for such services. The Audit Committee shall not engage the independent registered public accounting firm to perform specific non-audit services, as proscribed by law or regulation.

3. *Independence of Independent Registered Public Accounting Firm.* The Audit Committee will take reasonable measures to ensure the independence of the independent registered public accounting firm. The Audit Committee is responsible for obtaining, on an annual basis, a formal written statement delineating all relationships between the independent registered public accounting firm and the Company consistent with the Independence Standards Board Standard No. 1, and actively discussing with the independent registered public accounting firm any such disclosed relationships and their impact on the independent registered public accounting firm's independence and taking, or recommending that the full Board take, appropriate action in response to the independent registered public accounting firm's statements to satisfy itself of the independent registered public accounting firm's independence.

4. *Performance of Independent Registered Public Accounting Firm.* The Audit Committee will review the performance of the independent registered public accounting firm annually. In connection with this evaluation, the Audit Committee will consult with management and will obtain and review a report by the independent registered public accounting firm describing their internal control procedures, any issues raised by their most recent internal quality control review or peer review (if applicable) or by any inquiry or investigation by governmental or professional authorities for the preceding five years, and the response of the independent registered public accounting firm to any such review, inquiry or investigation. The Audit Committee will assure the regular rotation of the lead audit partner as required by Section 10A(j) of the Exchange Act.

5. *Oversight and Performance of Internal Auditors.* The Director of Internal Audit or other most senior member of the internal audit department (as the case may be, the "IA Director") shall report directly to the Chairman of the Audit Committee, unless otherwise directed by the Audit Committee Chairman from time to time; provided, however, that the day to day responsibilities of the IA Director shall be directed by the Chief Financial Officer of the Company.

The Audit Committee will annually review the experience and qualifications of the senior members of the internal auditors and the quality control procedures of the internal auditors. If the internal audit services are outsourced, the Audit Committee will be responsible for the engagement, evaluation and termination of the internal audit service providers, and will approve fees paid to the internal audit service providers. As part of its responsibility to evaluate any internal audit service providers, the Audit

Committee will review the quality control procedures applicable to the service providers. The Audit Committee also will obtain and review not less frequently than annually a report of the service providers addressing such service providers' internal control procedures, issues raised by their most recent internal quality control review or by any inquiry or investigation by governmental or professional authorities for the preceding five years, and the response of such service providers to any such review, inquiry or investigation. The Audit Committee must approve the hiring or termination of the lead internal auditor.

6. *Audits.* The Audit Committee will discuss with the internal auditors or internal audit service providers and the independent registered public accounting firm the overall scope and plans for their respective audits, including the adequacy of staffing and other factors that may affect the effectiveness and timeliness of such audits. In this connection, the Audit Committee will discuss with management, the internal auditors or internal audit service providers and the independent registered public accounting firm the adequacy and effectiveness of the accounting and financial controls, and the steps management has taken to manage legal compliance programs, among other considerations that may be relevant to their respective audits. The Audit Committee will review with management and the independent registered public accounting firm management's annual internal control report, including any attestation of such internal control report by the independent registered public accounting firm. The Audit Committee will obtain and review periodic reports from management and the internal auditors or internal audit service providers regarding any significant deficiencies in the design or operation of the Company's internal controls, material weaknesses in internal controls and any fraud (regardless of materiality) involving persons having a significant role in the internal controls, as well as any significant changes in internal controls implemented by management during the most recent reporting period of the Company.

7. *Risk Management Matters.* The Audit Committee will review the Company's policies and practices with respect to risk assessment and risk management, including discussing with management the Company's major financial risk exposures and the steps that have been taken to monitor and control such exposures.

8. *Review of Disclosure Controls and Procedures.* The Audit Committee will review with the chief executive officer and the chief financial officer the Company's disclosure controls and procedures and will review periodically, but no less frequently than quarterly, management's conclusions about the efficacy of such disclosure controls and procedures, including any significant deficiencies in, or material non-compliance with, such controls and procedures.

9. *Consultation with Independent Registered Public Accounting Firm.* The Audit Committee will consider and approve, if appropriate, material changes to the Company's auditing and accounting principles and practices as suggested by the independent registered public accounting firm, management and/or the Company's internal audit department. The Audit Committee will review with the independent registered public accounting firms any problems or difficulties the auditors may have encountered in connection with the annual audit or otherwise and any management letter provided by the auditors and the Company's response to that letter. This review will address any difficulties encountered by the independent registered public accounting firm in the course of the audit work, including any restrictions on the scope of activities or access to required information, any disagreements with management regarding generally accepted accounting principles and other matters, and any adjustments to the financial statements recommended by the independent registered public accounting firm, regardless of materiality.

10. *Review of Regulatory and Accounting Initiatives.* The Audit Committee will review with management and the independent registered public accounting firm the effect of new or proposed regulatory and accounting initiatives on the Company's financial statements and other public disclosures.

11. *Review of Annual SEC Filings.* The Audit Committee will review and discuss with management and the independent registered public accounting firm the audited financial statements and the other financial information (including disclosures under Management's Discussion and Analysis of Financial Condition and Results of Operations) to be included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission, including their judgment about the quality, not just the acceptability, of accounting principles, the reasonableness of significant judgments, and the clarity of the disclosures in the financial statements. The Audit Committee also will discuss the results of the annual audit and any other matters required to be communicated to the Audit Committee by the independent registered public accounting firm under generally accepted auditing standards, applicable law or listing standards. Based on such review and discussion, the Audit Committee will make a determination whether to recommend to the Board of Directors that the audited financial statements be included in the Company's Annual Report on Form 10-K. The Audit Committee shall review the disclosure and certifications of the Company's Chief Executive Officer and Chief Financial Officer required under Sections 302 and 906 of the Sarbanes-Oxley Act.

12. *Review of Quarterly SEC Filings and Other Communications.* The Audit Committee will review and discuss with management and the independent registered public accounting firm the quarterly financial information to be included in the Company's Quarterly Reports on Form 10-Q filed with the Securities and Exchange Commission. In connection with this review, the Audit Committee will discuss the results of the independent registered public accounting firm's review of the Company's quarterly financial information conducted in accordance with Statement on Auditing Standards No. 100. The Audit Committee also will discuss any other matters required to be communicated to the Audit Committee by the independent registered public accounting firm under Public Company Accounting Oversight Board auditing standards, applicable law or listing standards. The Audit Committee will review the Company's earnings press releases to the extent required by applicable law or listing standards as well as financial information and earnings guidance provided to analysts and rating agencies.

13. *Proxy Statement Report.* The Audit Committee will prepare the report required by the rules of the Securities and Exchange Commission to be included in the Company's annual proxy statement.

14. *Related Party Transactions.* The Audit Committee will review and approve all related party transactions as contemplated by Item 404 of Regulation S-K promulgated under the Securities Act of 1933, as amended and any Company policy with respect to related party transactions. In the event that there exists any conflict between the Company's related party transaction policy and said Item 404, the more restrictive of the two shall govern.

15. *Hiring Guidelines.* The Audit Committee will approve guidelines for the Company's hiring of former employees of the independent registered public accounting firm, which will meet the requirements of applicable law and listing standards.

16. *Establishment of Whistleblower Procedures.* The Audit Committee will 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 the Company of concerns regarding questionable accounting or auditing matters.

17. *Review of Audit and Listing Requirements; Litigation Oversight.* The Audit Committee will periodically review with management, including the general counsel and the independent registered public accounting firm, any correspondence with, or other action by, regulators or governmental agencies and any employee complaints or published reports that raise concerns regarding the Company's financial statements, accounting or auditing matters. The Committee also will meet periodically and separately

with the Company's general counsel to review the Company's compliance with listing standards and the status of all pending and threatened litigation. The Audit Committee shall ascertain annually from the Company's independent registered public accounting firm whether the Company has issues under Section 10A(b) of the Exchange Act.

18. *Oversight of Investment Policy and Investment Committee.* The Audit Committee will periodically review the Company's Investment Policy for appropriate updates, and will oversee the Investment Committee.

19. *Other Responsibilities.* The Audit Committee will also carry out such other duties that may be delegated to it by the Board of Directors from time to time.

**Charter.**

1. *Annual Review.* At least once a year, or more frequently as may be required by applicable law or as other facts and circumstances may require, the Audit Committee will certify that it has reviewed and reassessed the adequacy of this Charter.

2. *Inclusion in Proxy Statement.* The Audit Committee will cause a copy of the charter to be included in the Company's annual proxy statement filed with the Securities and Exchange Commission and/or posted on the Company's website as required by applicable law or regulation.

Adopted August 8, 2012  
Revised February 24, 2015