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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 20549

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**FORM 10-Q**

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**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2015, or

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 0-17272

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**BIO-TECHNE CORPORATION**

(Exact name of registrant as specified in its charter)

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**Minnesota**  
(State or other jurisdiction of  
incorporation or organization)

**41-1427402**  
(I.R.S. Employer  
Identification No.)

**614 McKinley Place N.E.**  
**Minneapolis, MN 55413**  
(Address of principal executive offices) (Zip Code)

**(612) 379-8854**  
(Registrant's telephone number, including area code)

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer

Non-accelerated filer  Smaller reporting company

Indicate by check mark whether the Registrant is a shell company (as defined in Exchange Act Rule 12b-2).  Yes  No

At November 6, 2015, 37,191,353 shares of the Company's Common Stock (par value \$0.01) were outstanding.

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**PART I. FINANCIAL INFORMATION**

**ITEM 1. FINANCIAL STATEMENTS**

**CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS  
AND COMPREHENSIVE INCOME**

*Bio-Techne Corporation and Subsidiaries*  
*(in thousands, except per share data)*  
*(unaudited)*

	<i>Quarter Ended</i>	
	<i>September 30,</i>	
	<u>2015</u>	<u>2014</u>
Net sales	\$ 112,381	\$ 108,477
Cost of sales	36,990	35,411
Gross margin	75,391	73,066
Operating expenses:		
Selling, general and administrative	33,040	28,701
Research and development	11,322	9,149
Total operating expenses	44,362	37,850
Operating income	31,028	35,216
Other (expense) income	818	(618)
Earnings before income taxes	31,847	34,598
Income taxes	9,139	10,691
Net earnings	22,707	23,907
Other comprehensive (loss) income:		
Foreign currency translation adjustments	(12,896)	(9,103)
Unrealized losses on available-for-sale investments, net of tax of (\$3,752) and (\$100), respectively	(10,125)	(8,488)
Other comprehensive loss	(23,021)	(17,591)
Comprehensive income (loss)	\$ (314)	\$ 6,316
Earnings per share:		
Basic	\$ 0.61	\$ 0.65
Diluted	\$ 0.61	\$ 0.64
Cash dividends per common share:	\$ 0.32	\$ 0.31
Weighted average common shares outstanding:		
Basic	37,169	37,007
Diluted	37,315	37,148

See Notes to Condensed Consolidated Financial Statements.

**CONDENSED CONSOLIDATED BALANCE SHEETS**

*Bio-Techne Corporation and Subsidiaries*  
(in thousands, except share and per share data)

	<i>September 30,</i> <i>2015</i> <i>(unaudited)</i>	<i>June 30,</i> <i>2015</i>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 48,842	\$ 54,532
Short-term available-for-sale investments	38,423	56,389
Trade accounts receivable, less allowance for doubtful accounts of \$500 and \$555, respectively	70,915	70,034
Other receivables	972	954
Inventories	58,967	49,577
Prepaid expenses	6,201	5,285
Deferred income taxes	16,677	11,511
Total current assets	240,997	248,283
Property and equipment, net	132,852	129,749
Intangible assets, net	325,396	292,839
Goodwill	427,317	390,638
Other assets	1,757	1,851
	\$ 1,128,320	\$ 1,063,360
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Trade accounts payable	\$ 13,177	\$ 13,443
Salaries, wages and related accruals	9,134	10,344
Accrued expenses	6,537	6,604
Income taxes payable	8,444	1,972
Deferred revenue, current	3,839	3,380
Related party note payable, current	3,868	4,024
Total current liabilities	45,040	39,768
Deferred income taxes	77,819	61,429
Long-term debt obligations	164,368	112,024
Other long-term liabilities	3,146	3,204
Shareholders' equity:		
Common stock, par value \$.01 per share; authorized 100,000,000; issued and outstanding 37,182,381 and 37,152,979, respectively	372	371
Additional paid-in capital	166,603	163,306
Retained earnings	724,586	713,851
Accumulated other comprehensive loss	(53,615)	(30,593)
Total shareholders' equity	837,947	846,935
	\$ 1,128,320	\$ 1,063,360

See Notes to Condensed Consolidated Financial Statements.

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

*Bio-Techne Corporation and Subsidiaries*

*(in thousands)*

*(unaudited)*

	<i>Quarter Ended</i>	
	<i>September 30,</i>	
	<u>2015</u>	<u>2014</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net earnings	\$ 22,707	\$ 23,907
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	10,685	8,559
Costs recognized on sale of acquired inventory	1,113	3,167
Deferred income taxes	(1,115)	(1,617)
Stock-based compensation expense	2,038	1,362
Other	26	68
Change in operating assets and operating liabilities, net of acquisition:		
Trade accounts and other receivables	(3,763)	422
Inventories	(3,176)	(2,326)
Prepaid expenses	(766)	8
Trade accounts payable and accrued expenses	(416)	(1,487)
Salaries, wages and related accruals	(1,704)	2,528
Income taxes payable	6,204	1,127
Net cash provided by operating activities	<u>31,833</u>	<u>35,718</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Acquisitions, net of cash acquired	(82,970)	(360,175)
Proceeds from maturities of available-for-sale investments	3,930	9,880
Additions to property and equipment	(6,121)	(4,905)
Distributions from unconsolidated entities	0	446
Net cash used in investing activities	<u>(85,161)</u>	<u>(354,754)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Cash dividends	(11,894)	(11,472)
Proceeds from stock option exercises	1,128	1,864
Excess tax benefit from stock option exercises	131	78
Borrowings under line-of-credit agreement	77,000	125,000
Payments on line-of-credit	(24,500)	(13,000)
Net cash provided by (used in) financing activities	<u>41,865</u>	<u>102,470</u>
Effect of exchange rate changes on cash and cash equivalents	5,773	(3,763)
Net decrease in cash and cash equivalents	(5,690)	(220,329)
Cash and cash equivalents at beginning of period	54,532	318,568
Cash and cash equivalents at end of period	<u>\$ 48,842</u>	<u>\$ 98,239</u>

See Notes to Condensed Consolidated Financial Statements.

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*Bio-Techne Corporation and Subsidiaries*  
(*unaudited*)

### **Note 1. Basis of Presentation and Summary of Significant Accounting Policies:**

The interim consolidated financial statements of Bio-Techne Corporation (formerly Techne Corporation) and subsidiaries, (the Company) presented here have been prepared by the Company and are unaudited. They have been prepared in accordance with accounting principles generally accepted in the United States of America and with instructions to Form 10-Q and Article 10 of Regulation S-X. They reflect all adjustments which are, in the opinion of management, necessary for a fair presentation of the results for the interim periods presented. All such adjustments are of a normal recurring nature.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted. These interim unaudited condensed consolidated financial statements should be read in conjunction with the Company's Consolidated Financial Statements and Notes thereto for the fiscal year ended June 30, 2015, included in the Company's Annual Report on Form 10-K for fiscal 2015. A summary of significant accounting policies followed by the Company is detailed in the Company's Annual Report on Form 10-K for fiscal 2015. The Company follows these policies in preparation of the interim unaudited condensed consolidated financial statements.

### *Available-For-Sale Investments:*

The Company's available-for-sale securities are carried at fair value using Level 1 and Level 2 inputs. The fair value of the Company's available-for-sale investments at September 30, 2015 and June 30, 2015 were \$38.4 million and \$56.4 million, respectively. The decrease was caused by the maturity of \$3.9 million of available for sale securities with the remainder due to the change in the fair value of the Company's investment in ChemoCentryx, Inc. (CCXI). The amortized cost basis of the Company's available-for-sale investments at September 30, 2015 and June 30, 2015 were \$29.5 million and \$33.6 million, respectively.

### *Inventories:*

Inventories consist of (in thousands):

	<i>September 30,</i> <i>2015</i>	<i>June 30,</i> <i>2015</i>
Raw materials	\$ 22,874	\$ 15,892
Finished goods	36,093	33,685
Inventories, net	<u>\$ 58,967</u>	<u>\$ 49,577</u>

At September 30, 2015, the Company had \$59.0 million of inventory compared to \$50.0 million as of June 30, 2015. The increase is primarily driven by the acquisition of Cliniqa Corporation in July 2015. At both September 30, 2015 and June 30, 2015, the Company had approximately \$24 million of excess protein, antibody and chemically-based inventory on hand which was not valued.

*Property and Equipment:*

Property and equipment consist of (in thousands):

	<i>September 30,</i> <i>2015</i>	<i>June 30,</i> <i>2015</i>
Land	\$ 7,568	\$ 7,370
Buildings and improvements	161,183	156,965
Machinery and equipment	76,281	74,385
Property and equipment, cost	245,032	238,720
Accumulated depreciation and amortization	(112,180)	(108,971)
Property and equipment, net	<u>\$ 132,852</u>	<u>\$ 129,749</u>

*Intangible Assets:*

Intangible assets consist of (in thousands):

	<i>September 30</i> <i>2015</i>	<i>June 30,</i> <i>2015</i>
Developed technology	\$ 125,261	\$ 108,887
Trade names	64,009	63,867
Customer relationships	190,340	167,494
Non-compete agreements	3,279	3,298
Intangible assets	382,890	343,546
Accumulated amortization	(57,494)	(50,707)
Intangible assets, net	<u>\$ 325,396</u>	<u>\$ 292,839</u>

Changes to the carrying amount of net intangible assets for the quarter ended September 30, 2015 consist of (in thousands):

Beginning balance	\$ 292,839
Acquisitions	46,100
Amortization expense	(7,411)
Currency translation	(6,132)
Ending balance	<u>\$ 325,396</u>

The estimated future amortization expense for intangible assets as of September 30, 2015 is as follows (in thousands):

2016	\$ 21,312
2017	27,532
2018	27,532
2019	26,721
2020	26,401
2021	26,401
Thereafter	169,497
	<u>\$ 325,396</u>

*Goodwill:*

Changes to the carrying amount of goodwill for the quarter ended September 30, 2015 consist of (in thousands):

Beginning balance	\$	390,638
Acquisitions		43,000
Currency translation		(6,321)
Ending balance	\$	<u>427,317</u>

**Note 2. Acquisitions:**

The Company's acquisitions have historically been made at prices above the fair value of the acquired identifiable assets, resulting in goodwill. The goodwill is due to strategic benefits of growing the Company's product portfolio, expected revenue growth from the increased market penetration from future products and customers, and expectations of synergies that will be realized by combining the businesses. Acquisitions have been accounted for using the purchase method of accounting and the acquired companies' results have been included in the accompanying financial statements from their respective dates of acquisition. Acquisition costs are recorded in selling, general and administrative expenses as incurred.

On July 8, 2015, the Company acquired all of the issued and outstanding equity interests of Cliniqa Corporation (Cliniqa). Cliniqa specializes in the manufacturing and commercialization of quality controls and calibrators as well as bulk reagents used in the clinical diagnostic market. The acquisition was mostly funded through our line-of-credit facility. The purchase price of Cliniqa exceeded the fair value of the identifiable net assets and, accordingly, the difference was allocated to goodwill, substantially all of which is not tax deductible. Cliniqa is included in the Company's Clinical Controls segment.

The preliminary estimated fair value of the assets acquired and liabilities assumed in each acquisition, pending final valuation of intangible assets, are as follows (in thousands):

	<i>Cliniqa</i>	
Current assets	\$	11,927
Equipment		1,436
Other long-term assets		58
Intangible Assets:		
Developed technology		18,000
Trade name		27,000
Customer relationships		1,100
Goodwill		43,000
Total assets acquired		<u>102,521</u>
Liabilities		1,884
Deferred income taxes, net		17,667
Net assets acquired	\$	<u>82,970</u>
Cash paid, net of cash acquired	\$	<u>82,970</u>

Tangible assets acquired, net of liabilities assumed, were stated at fair value at the date of acquisition based on management's assessment. The purchase price allocated to developed technology, trade names, and customer relationships was based on management's forecasted cash inflows and outflows and using a relief-from-royalty and a multi-period excess earnings method to calculate the fair value of assets purchased. The developed technology is being amortized with the expense reflected in cost of goods sold in the Condensed Consolidated Statement of Earnings and Comprehensive Income. Amortization expense related to trade names, and customer relationships is reflected in selling, general and administrative expenses in the Consolidated Statement of Earnings and Comprehensive Income. The amortization periods for intangible assets acquired in fiscal 2016 are estimated to be 18 years for developed technology, 20 years for trade names and 4 years for customer relationships. The deferred income tax liability represents the net amount of the estimated future impact of adjustments for costs to be recognized upon the sale of acquired inventory that was written up to fair value and intangible asset amortization, both of which are not deductible for income tax purposes.

The Company's Condensed Consolidated Financial Statements for the quarter ended September 30, 2015, include Cliniqa net sales of \$3.4 million and net losses of \$0.4 million. Included in these results were amortization of intangibles of \$0.7 million and costs recognized on the sales of acquired inventory of \$0.3 million.

**Note 3. Segment Information:**

The Company's management evaluates segment operating performance based on operating income before certain charges to cost of sales and selling, general and administrative expenses, principally associated with acquisition accounting related to inventory, amortization of acquisition-related intangible assets and other acquisition-related expenses. Prior period segment results, which reported segment earnings before income taxes, have been reclassified to reflect segment performance based on operating income.

Beginning in the first quarter of fiscal 2016, the Clinical Controls segment includes the financial results of the Company's BiosPacific business. Historically, this business was managed and reported as part of the Biotechnology segment. The recent acquisition of Cliniqa and its commonality of customer and end markets with BiosPacific influenced this management and reporting change. All comparisons to prior periods reflect the new reporting structure as if it existed in the prior reporting periods.

The following is financial information relating to the Company's reportable segments (in thousands):

	<i>Quarter Ended</i>	
	<i>2015</i>	<i>2014</i>
<b>Net sales</b>		
Biotechnology	\$ 75,743	\$ 76,453
Clinical Controls	20,362	19,119
Protein Platforms	16,296	12,914
Inter segment	(20)	(9)
Consolidated net sales	<u>\$ 112,381</u>	<u>\$ 108,477</u>
<b>Segment operating income</b>		
Biotechnology	\$ 39,316	\$ 40,446
Clinical Controls	4,711	6,108
Protein Platforms	(1,172)	2,604
Subtotal reportable segments	42,855	49,159
Cost recognized on sale of acquired inventory	(1,112)	(3,167)
Amortization of acquisition related intangible assets	(7,411)	(5,728)
Acquisition related expenses	(301)	(2,370)
Stock-based compensation	(2,038)	(1,362)
Corporate general and administrative	(965)	(1,316)
Consolidated operating income	<u>\$ 31,028</u>	<u>\$ 35,216</u>

**Note 4. Share-based Compensation:**

During the quarters ended September 30, 2015 and 2014, the Company granted 736,000 and 467,000 stock options at weighted average grant prices of \$106.66 and \$93.95 and weighted average fair values of \$18.48 and \$13.93, respectively. During the quarter ended September 30, 2015 and 2014, the Company granted 35,000 and 34,000 restricted stock units at a weighted average fair value of \$105.01 and \$93.70, respectively. During the quarter ended September 30, 2015, the Company granted 12,000 shares of restricted common stock at a fair value of \$108.49.

Stock-based compensation expense of \$2.0 million and \$1.4 million was included in selling, general and administrative expenses for the quarters ended September 30, 2015 and 2014, respectively. As of September 30, 2015, there was \$21.7 million of unrecognized compensation cost related to non-vested stock options, non-vested restricted stock units and non-vested restricted stock. The weighted average period over which the compensation cost is expected to be recognized is 2.8 years.

Stock options for 12,500 and 28,000 shares of common stock with total intrinsic values of \$0.5 million and \$0.2 million were exercised during the quarters ended September 30, 2015 and 2014, respectively.

**Note 5. Other (Expense) / Income:**

The components of other (expense) income in the accompanying Statement of Earnings and Comprehensive Income are as follows:

	<i>Quarter Ended September 30,</i>	
	<i>2015</i>	<i>2014</i>
Interest expense	\$ (451)	\$ (311)
Interest income	61	185
Other non-operating expense, net	1,208	(492)
Other (expense) / income	<u>\$ 818</u>	<u>\$ (618)</u>

**Note 6. Earnings Per Share:**

Shares used in the earnings per share computations are as follows (in thousands):

	<i>Quarter Ended September 30,</i>	
	<i>2015</i>	<i>2014</i>
Weighted average common shares outstanding-basic	37,169	37,007
Dilutive effect of stock options	146	141
Weighted average common shares outstanding-diluted	<u>37,315</u>	<u>37,148</u>

The dilutive effect of stock options in the above table excludes all options for which the aggregate exercise proceeds exceeded the average market price for the period. The number of potentially dilutive option shares excluded from the calculation was 1.2 million and 0.6 million for the quarters ended September 30, 2015 and 2014, respectively.

**Note 7. Accumulated Other Comprehensive Income:**

Changes in accumulated other comprehensive income (loss), net of tax, for the quarter ended September 30, 2015 consists of (in thousands):

	<i>Unrealized Gains (Losses) on Available- for-Sale Investments</i>	<i>Foreign Currency Translation Adjustments</i>	<i>Total</i>
Beginning balance	\$ 14,381	\$ (44,975)	\$ (30,594)
Other comprehensive income	(10,125)	(12,896)	(23,021)
Ending balance	\$ 4,256	\$ (57,871)	\$ (53,615)

**Note 8. Debt and Other Financing Arrangements:**

On July 28, 2014, the Company entered into a revolving line-of-credit facility governed by a Credit Agreement (the Credit Agreement). The Credit Agreement provides for a revolving credit facility of \$150 million, which can be increased by an additional \$150 million subject to certain conditions. Borrowings under the Credit Agreement may be used for working capital and expenditures of the Company and its subsidiaries, including financing permitted acquisitions. Borrowings under the Credit Agreement for base rate loans bear interest at a variable rate equal to the greater of (i) the prime commercial rate, (ii) the per annum federal funds rate plus 0.5%, or (iii) LIBOR + 1.00% - 1.75% depending on the existing total leverage ratio of Debt to Earnings Before Interest, Taxes, Depreciation and Amortization (as defined in the Credit Agreement). The annualized fee for any unused portion of the credit facility is 15 basis points.

The Credit Agreement matures on July 31, 2019 and contains customary restrictive and financial covenants and customary events of default. As of September 30, 2015, the outstanding balance under the Credit Agreement was \$125.5 million.

**Note 9. Subsequent Event:**

None.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### OVERVIEW

Bio-Techne Corporation and its subsidiaries operate worldwide with three reportable business segments, Biotechnology, Clinical Controls and Protein Platforms, all of which service the life science and diagnostic markets. The Biotechnology reporting segment provides proteins, antibodies, immunoassays, flow cytometry products, intracellular signaling products, and biologically active chemical compounds used in biological research. The Clinical Controls reporting segment provides a range of hematology controls, calibrators, and products used as proficiency testing tools by clinical laboratories and proficiency certifying agencies. The Protein Platforms reporting segment develops and commercializes proprietary systems and consumables for protein analysis.

### RECENT ACQUISITIONS

A key component of the Company's strategy is to augment internal growth at existing businesses with complementary acquisitions.

On July 8, 2015, the Clinical Controls segment completed the acquisition of Cliniqa Corporation (Cliniqa), for a purchase price of approximately \$83.0 million, net of cash acquired and net working capital adjustments. The acquisition was financed primarily with cash from our line-of-credit facility. Cliniqa specializes in the manufacturing and commercialization of quality controls and calibrators as well as bulk reagents used in the clinical diagnostic market. Proforma results are not presented as this acquisition is not considered material to our consolidated results of operations.

### RESULTS OF OPERATIONS

Consolidated net sales increased 4% for the quarter ended September 30, 2015 compared to the quarter ended September 30, 2014. Consolidated net sales for the quarter ended September 30, 2015 were affected by the Cliniqa acquisition. Consolidated net sales for quarter ended September 30, 2014 were affected by the timing of CyVek acquisition (November 3, 2014) and the ProteinSimple acquisition (July 31, 2014). Organic growth was 2% versus the prior year, with currency translation having a negative impact of 4% and acquisitions contributing 6%.

Consolidated net earnings decreased 10% for the quarter ended September 30, 2015 compared to the same prior-year period result mainly due to the timing of prior year acquisitions, increased acquisition-related intangible amortization, and costs recognized upon sale of acquired inventory and acquisition-related expenses.

The adjusted financial measures discussed below quantify the impact the following events had on reported net sales, gross margin percentages, operating income and net earnings for the quarter ended September 30, 2015 as compared to the same prior-year period:

- the acquisitions of Cliniqa in the current fiscal year, the acquisitions of Novus, ProteinSimple, and Cyvek in fiscal year 2014, and acquisitions of prior years, including the impact of amortizing intangible assets and the recognition of costs upon the sale of inventory written-up to fair value;
- fluctuations in exchange rates used to convert transactions in foreign currencies (primarily the Euro, British pound sterling, Canadian dollar, Chinese yuan, and Japanese yen) to U.S. dollars;

These adjusted financial measures are not prepared in accordance with generally accepted accounting principles (GAAP) and may be different from adjusted financial measures used by other companies. Adjusted financial measures should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP. The Company views these adjusted financial measures to be helpful in assessing the Company's ongoing operating results. In addition, these adjusted financial measures facilitate internal comparisons to historical operating results and comparisons to competitors' operating results. The Company includes these adjusted financial measures in this quarterly report because we believe they are useful to investors in allowing for greater transparency related to supplemental information we use in our financial and operational analysis.

### ***Net Sales***

Consolidated net sales for the first quarter of fiscal 2015 were \$112.4 million, an increase of 4% year-over-year and organic growth was 2%. First quarter reported net sales included 6% growth from acquisitions and negative 4% due to foreign currency translation. Organic growth was driven by a strong BioPharma end-market in the Biotechnology segment as well as the two months the Company owned ProteinSimple in both the prior year and current year as part of the Protein Platforms segment. The growth in these two segments was partially offset by the timing of OEM shipments within our Clinical Controls segment.

### ***Gross Margins***

Consolidated gross margins for the quarters ended September 30, 2015 and 2014 were 67.1% and 67.4%, respectively. Consolidated gross margins for the quarters ended September 30, 2015 and 2014 were negatively impacted as a result of purchase accounting related to inventory and intangible assets acquired in the current and prior fiscal years. Under purchase accounting, inventory is valued at fair value less expected selling and marketing costs, resulting in reduced margins in future periods as the inventory is sold.

A reconciliation of the reported consolidated gross margin percentages, adjusted for acquired inventory sold and intangible amortization included in cost of sales, is as follows:

	<i>Quarter Ended</i>	
	<i>September 30,</i>	
	<i>2015</i>	<i>2014</i>
Consolidated gross margin percentage	67.1%	67.4%
Identified adjustments		
Costs recognized upon sale of acquired inventory	1.0%	2.9%
Amortization of intangibles	2.5%	1.8%
Adjusted gross margin percentage	70.6%	72.1%

Consolidated adjusted gross margins were 70.6% for the quarter ended September 30, 2015, down 150 basis points from the prior year due to the product mix change associated with the recent acquisition of Cliniqa and the Protein Platforms acquisitions made in fiscal year 2015. Excluding acquisitions, gross margins were essentially flat compared to last year.

### ***Selling, General and Administrative Expenses***

Selling, general and administrative expenses increased \$4.3 million (15%) for the quarter ended September 30, 2015 from the same prior-year period. The increase for the quarter ended September 30, 2015 was mainly a result of \$1.4 million of selling, general and administrative expenses from the Cliniqa and Cyvek acquisitions which were acquired after July of last year, a \$1.7 million increase in acquisition intangible amortization, and \$0.7 million increase in stock-based compensation expense. The remainder of the increase in selling, general and administrative expense was due primarily to additional investment in commercial resources and administrative infrastructure.

### ***Research and Development Expenses***

Research and development expenses for the quarter ended September 30, 2015 increased \$2.2 million (24%) from the same prior-year period due mainly to expenses by companies acquired since the prior year.



## Segment Results

As previously mentioned, beginning in the first quarter of fiscal 2016, the Clinical Controls segment includes the financial results of the Company's BiosPacific business. Historically, this business was managed and reported as part of the Biotechnology segment. The recent acquisition of Cliniqa and its commonality of customer and end markets with BiosPacific influenced this management and reporting change. All comparisons to prior periods reflect the new reporting structure as if it existed in the prior reporting periods.

### Biotechnology

	Quarter Ended September 30,	
	2015	2014
Net sales (in thousands)	\$ 75,743	\$ 76,453
Operating income margin percentage	51.9%	52.9%

Biotechnology net sales for the quarter ended September 30, 2015 were \$75.7 million, a decrease of 1% due to the impact of foreign exchange translation. Organic growth was 4% for the quarter ended September 30, 2015. Operating income for the segment decreased 3% for the quarter ended September 30, 2015 and operating margin was 51.9%, a decline of 100 basis points from the prior year. The lower operating income margin percentage is attributable to the impact of foreign currency translation.

### Clinical Controls

	Quarter Ended September 30,	
	2015	2014
Net sales (in thousands)	\$ 20,362	\$ 19,119
Operating income margin percentage	23.1%	31.9%

Clinical Controls net sales for the quarter ended September 30, 2015 were \$20.4 million, with reported growth of 7% compared to the same prior-year period and an organic decline of 11%. Organic decline for the quarter in this segment excludes the impact of \$3.4 million of Cliniqa's net sales for the quarter. Revenue decreased due to the timing of OEM shipment schedules, and therefore the Company believes the first quarter results are not indicative of the current market conditions or future revenue growth expectations for this segment.

Operating income for the segment decreased 23% for the quarter ended September 30, 2015 and operating margin was 23.1%, compared to 31.9% for the same prior-year period. The lower operating income margin was partly attributable to lower volume leverage on fixed cost and the acquisition of Cliniqa, which currently has a lower margin profile than our organic businesses.

### Protein Platforms

	Quarter Ended September 30,	
	2015	2014
Net sales (in thousands)	\$ 16,296	\$ 12,914
Operating income margin percentage	-7.2%	20.1%

Net sales for Protein Platforms for the quarter ended September 30, 2015, were \$16.3 million, with reported growth of 26%. Revenue from acquisitions, which for ProteinSimple was the month of July and for CyVek was the entire quarter, accounted for approximately 21% of the growth. Foreign exchange translation negatively impacted revenues by 5%, with organic growth at 10%. Organic growth for the quarter was driven by the biologics product line, as well as by consumable sales within the Simple Western product line.

Operating income margin for the quarter was -7.2% compared to 20.1% for the same prior-year period. The additional month we owned ProteinSimple this year, that being July, had relatively lower sales, as many instrument businesses do in the first month of a quarter. The month of July still had the normal operating expense run rates. Also, operating expenses at CyVek were not included in the prior year quarter ended September 30, 2014 because the acquisition occurred in November, 2014. In summary, ProteinSimple's July, 2015 results, together with the exclusion of CyVek's first quarter, 2015 results, added \$2 million of revenue for the quarter year-over-year, but decreased adjusted operating income by approximately \$3.9 million.

### **Income Taxes**

Income taxes for the quarter ended September 30, 2015 were at an effective rate of 28.7% of consolidated earnings before income taxes compared to 30.9% for the quarter ended September 30, 2014. The effective tax rate for the quarter ended September 30, 2015 decreased by 239 basis points due to a one-time benefit of foreign deferred tax adjustments. The Company expects the consolidated income tax rate for the remainder of fiscal 2016 to range from 30% to 32%.

### **Net Earnings**

Adjusted consolidated net earnings are as follows:

	<i>Quarter Ended</i>	
	<i>September 30,</i>	
	<i>2015</i>	<i>2014</i>
Net earnings	\$ 22,707	\$ 23,907
Identified adjustments:		
Costs recognized upon sale of acquired inventory	1,112	3,167
Amortization of intangibles	7,411	5,728
Acquisition related professional fees	301	2,370
Stock-based compensation	2,038	1,362
Tax impact of above adjustments	(3,377)	(3,901)
One-time foreign tax benefit	(762)	0
Net earnings-adjusted	\$ 29,430	\$ 32,631
Adjusted net earnings growth	-10%	

### **LIQUIDITY AND CAPITAL RESOURCES**

At September 30, 2015, cash and cash equivalents and available-for-sale investments were \$87 million compared to \$111 million at June 30, 2015. Included in available-for-sale-investments at September 30, 2015 was the fair value of the Company's investment in ChemoCentryx, Inc. (CCXI) of \$38.4 million. The fair value of the Company's CCXI investment at June 30, 2015 was \$52.3 million.

The Company has a revolving line of credit governed by a Credit Agreement dated July 28, 2014. See Note 8 to the Condensed Consolidated Financial Statements for a description of the Credit Agreement.

Management of the Company expects to be able to meet its cash and working capital requirements for operations, facility expansion, capital additions, and cash dividends for the foreseeable future, and at least the next 12 months, through currently available cash and cash generated from operations.

#### **Cash Flows From Operating Activities**

The Company generated cash of \$31.9 million from operating activities in the first quarter of fiscal 2016 compared to \$35.7 million in the first quarter of fiscal 2015. The decrease from the prior year was primarily due to decreased net earnings after adjustment for non-cash expenses related to depreciation, amortization and cost recognized on sale of acquired inventory.

#### **Cash Flows From Investing Activities**

On July 8, 2015, the Company acquired all of the issued and outstanding equity interests of Cliniqa Corporation (Cliniqa) for a net purchase price of approximately \$83.0 million. The acquisition was financed primarily through our revolving line-of-credit facility.

On July 2, 2014, the Company acquired, for a net purchase price of approximately \$60.0 million cash, all of the issued and outstanding equity interests of Novus Holdings LLC (Novus), including its subsidiary, Novus Biologicals, LLC. The acquisition was financed through cash and cash equivalents on hand.

On July 31, 2014, the Company acquired ProteinSimple for a net purchase price of approximately \$300 million. The transaction was financed through cash on hand and a revolving line-of-credit facility.

Maturities of available for sale securities for the first quarter of fiscal 2016 and 2015 were \$3.9 million and \$9.9 million, respectively.

Capital expenditures for fixed assets for the first quarter of fiscal 2016 and 2015 were \$6.1 million and \$4.9 million, respectively. Included in capital expenditures for the first quarter of fiscal 2016 was \$3.3 million for leasehold improvements by our Bristol, England location for a new building to expand capacity. The remaining capital additions were mainly for laboratory and computer equipment. Capital expenditures for the remainder of fiscal 2016 are expected to be approximately \$14 million. Capital expenditures are expected to be financed through currently available funds and cash generated from operating activities.

#### ***Cash Flows From Financing Activities***

During the first quarter of fiscal 2016 and 2015, the Company paid cash dividends of \$11.9 million and \$11.5 million, respectively, to all common shareholders. On October 29, 2015, the Company announced the payment of a \$0.32 per share cash dividend, or approximately \$11.9 million, will be payable November 27, 2015 to all common shareholders of record on November 13, 2015.

Cash of \$1.1 million and \$1.9 million was received during the first quarter of fiscal 2016 and 2015, respectively, from the exercise of stock options.

During the first quarter of fiscal 2016, the Company drew \$77.0 million under its revolving line-of-credit facility to fund its acquisition of Cliniqa. During the first quarter of fiscal 2015, the Company drew \$125 million under its revolving line-of-credit facility to fund its acquisition of ProteinSimple. The Company made payments on the line-of-credit of \$24.5 million and \$13.0 million during the first quarter of fiscal 2016 and 2015, respectively.

#### **OFF-BALANCE SHEET ARRANGEMENTS**

The Company has no reportable off-balance sheet arrangements as defined in Item 303(a)(4) of Regulation S-K.

#### **CONTRACTUAL OBLIGATIONS**

There were no material changes outside the ordinary course of business in the Company's contractual obligations during the quarter ended September 30, 2015.

#### **CRITICAL ACCOUNTING POLICIES**

The Company's significant accounting policies are discussed in the Company's Annual Report on Form 10-K for fiscal 2015 and are incorporated herein by reference. The application of certain of these policies requires judgments and estimates that can affect the results of operations and financial position of the Company. Judgments and estimates are used for, but not limited to, valuation of available-for-sale investments, inventory valuation and allowances, valuation of intangible assets and goodwill and valuation of investments in unconsolidated entities. There have been no significant changes in estimates in fiscal 2016 that would require disclosure. There have been no changes to the Company's policies in the first quarter of fiscal 2016.

## FORWARD LOOKING INFORMATION AND CAUTIONARY STATEMENTS

This quarterly report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include those regarding the Company's expectations as to the effect of changes to accounting policies, the amount of capital expenditures for the remainder of the fiscal year, the source of funding for capital expenditure requirements, the sufficiency of currently available funds for meeting the Company's needs, the impact of fluctuations in foreign currency exchange rates, and expectations regarding gross margin fluctuations, increasing research and development expenses, increasing selling, general and administrative expenses and income tax rates. These statements involve risks and uncertainties that may affect the actual results of operations. The following important factors, among others, have affected and, in the future, could affect the Company's actual results: the introduction and acceptance of new products, general national and international economic conditions, increased competition, the reliance on internal manufacturing and related operations, the impact of currency exchange rate fluctuations, economic instability in Eurozone countries, the recruitment and retention of qualified personnel, the impact of governmental regulation, maintenance of intellectual property rights, credit risk and fluctuation in the market value of the Company's investment portfolio, unseen delays and expenses related to facility improvements, and the success of financing efforts by companies in which the Company has invested. For additional information concerning such factors, see the Company's Annual Report on Form 10-K for fiscal 2015 as filed with the Securities and Exchange Commission.

### ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

At September 30, 2015, the Company held an investment in the common stock of CCXI. The investment was included in short-term available-for-sale investments at its fair value of \$38.4 million. At September 30, 2015, the potential loss in fair value due to a 10% decrease in the market value of CCXI was \$3.8 million.

The Company operates internationally, and thus is subject to potentially adverse movements in foreign currency exchange rates. For the quarter ended September 30, 2015, approximately 27% of consolidated net sales were made in foreign currencies, including 12% in euros, 5% in British pound sterling, 5% in Chinese yuan and the remaining 5% in other currencies. The Company is exposed to market risk mainly from foreign exchange rate fluctuations of the euro, British pound sterling, the Chinese yuan, and the Canadian dollar, as compared to the U.S. dollar as the financial position and operating results of the Company's foreign operations are translated into U.S. dollars for consolidation.

Month-end average exchange rates between the British pound sterling, euro, Chinese yuan and Canadian dollar, which have not been weighted for actual sales volume in the applicable months in the periods, to the U.S. dollar were as follows:

	Quarter Ended September 30,	
	2015	2014
Euro	\$ 1.12	\$ 1.31
British pound sterling	1.52	1.66
Chinese yuan	.157	.163
Canadian dollar	.75	.910

The Company's exposure to foreign exchange rate fluctuations also arises from trade receivables, trade payables and intercompany payables denominated in one currency in the financial statements, but receivable or payable in another currency. At September 30, 2015, the Company had the following trade receivables, trade payables and intercompany payables denominated in one currency but receivable or payable in another currency (in thousands):

	<i>Denominated Currency</i>		<i>U.S. Dollar Equivalent</i>
<b>Accounts receivable in:</b>			
Euros	£	1,687	\$ 2,564
Other European currencies	£	348	\$ 529
Euros	Can\$	1,569	\$ 1,757
British pound sterling	Can\$	523	\$ 392
<b>Accounts payable in:</b>			
U.S. dollars	Can\$	524	393
Euros	Can\$	268	201
<b>Intercompany payable in:</b>			
Swiss Franc	CNF	506	\$ 769
British Pound Sterling	CNF	343	\$ 353
British Pound Sterling	£	17,533	\$ 19,637
U.S. dollars	£	3,551	\$ 5,397
U.S. dollars	yuan	16,917	\$ 2,656
U.S. dollars	Can\$	10,194	\$ 7,646
Canadian dollars	yen	86,749	\$ 703
U.S. dollars	yen	258,599	\$ 2,095

All of the above balances are revolving in nature and are not deemed to be long-term balances. The Company does not enter into foreign exchange forward contracts to reduce its exposure to foreign currency rate changes on forecasted intercompany foreign currency denominated balance sheet positions. Foreign currency transaction gains and losses are included in "Other non-operating expense" in the Consolidated Statement of Earnings and Comprehensive Income. The effect of translating net assets of foreign subsidiaries into U.S. dollars are recorded on the Consolidated Balance Sheet as part of "Accumulated other comprehensive income."

The effects of a hypothetical simultaneous 10% appreciation in the U.S. dollar from September 30, 2015 levels against the euro, British pound sterling, Chinese yuan and Canadian dollar are as follows (in thousands):

Decrease in translation of 2016 earnings into U.S. dollars (annualized)	\$ 3,336
Decrease in translation of net assets of foreign subsidiaries	24,801
Additional transaction losses	4,512

## ITEM 4. CONTROLS AND PROCEDURES

### *(a) Evaluation of disclosure controls and procedures.*

As of the end of the period covered by this report, the Company's management conducted an evaluation, under the supervision and with the participation of the principal executive officer and principal financial officer, of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 as amended (the Exchange Act)).

Based on this evaluation, the principal executive officer and principal financial officer concluded that the Company's disclosure controls and procedures are effective to ensure that material information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms.

### *(b) Changes in internal controls over financial reporting.*

There was no change in the Company's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the Company's most recently completed fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting. We are in the process of evaluating internal controls over financial reporting for those acquisitions completed in fiscal 2015, including Protein Platforms.

As previously announced, we acquired Cliniqa on July 8, 2015. We have not fully evaluated any changes in internal control over financial reporting associated with this acquisition and therefore any material changes that may result from this acquisition have not been disclosed in this report. We intend to disclose all material changes resulting from this acquisition within or prior to the time of our first annual assessment of internal control over financial reporting that is required to include this entity.

The results reported in this quarterly report include those of Cliniqa.

## PART II. OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

As of November 9, 2015, the Company is not a party to any legal proceedings that, individually or in the aggregate, are reasonably expected to have a material adverse effect on the Company's business, results of operations, financial condition or cash flows.

### ITEM 1A. RISK FACTORS

There have been no material changes from the risk factors previously disclosed in Part I, Item 1A, "Risk Factors," of the Company's Annual Report on Form 10-K for the year ended June 30, 2015.

## **ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

There was no share repurchase activity by the Company in the quarter ended September 30, 2015. The maximum approximate dollar value of shares that may yet be purchased under the Company's existing stock repurchase plan is approximately \$125 million. The plan does not have an expiration date.

## **ITEM 5. OTHER INFORMATION**

On November 6, 2015, the Company issued an amended Code of Ethics and Business Conduct, which is included as Exhibit 14.1 to this quarterly report and which is also posted on the Company's website at [www.bio-techne.com](http://www.bio-techne.com).

## **ITEM 6. EXHIBITS**

See "exhibit index" following the signature page.

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BIO-TECHNE CORPORATION  
(Company)

Date: November 9, 2015

/s/ Charles R. Kummeth  
\_\_\_\_\_  
Charles R. Kummeth  
Principal Executive Officer

Date: November 9, 2015

/s/ James Hippel  
\_\_\_\_\_  
James Hippel  
Principal Financial Officer

**EXHIBIT INDEX  
TO  
FORM 10-Q**

**BIO-TECHNE CORPORATION**

<u>Exhibit #</u>	<u>Description</u>
10.1*	Form of Amendment to Employment Agreement by and between Bio-Techne Corporation and Executive Officer dated October 15, 2015.
14.1	Bio-Techne Code of Ethics and Business Conduct, amended as of November 6, 2015.
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	The following financial statements from the Company's Quarterly Report on Form 10- Q for the quarter ended September 30, 2015, formatted in Extensible Business Reporting Language (XBRL): (i) the Condensed Consolidated Balance Sheets, (ii) the Condensed Consolidated Statements of Earnings and Comprehensive Income, (iii) the Condensed Consolidated Statements of Cash Flows, and (iv) Notes to the Condensed Consolidated Financial Statements..

\* Management contract or compensatory plan or arrangement.

**AMENDMENT TO EMPLOYMENT AGREEMENT**

This Amendment to Employment Agreement (the "Amendment") amends the Employment Agreement by and between Bio-Techne Corporation, a Minnesota corporation ("Bio-Techne"), and EXECUTIVE OFFICER ("Employee"). This Amendment is effective as of October 15, 2015 ("Effective Date").

**RECITALS**

WHEREAS, the Parties have entered into an Employment Agreement, dated January 30, 2015 (the "Existing Agreement"); and

WHEREAS, the Parties desire to amend the Existing Agreement to clarify the applicability of termination for Good Reason in the event of Change in Control.

NOW, THEREFORE, in consideration of the premises set forth above and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Definitions. Capitalized terms used and not defined in this Amendment have the respective meanings assigned to them in the Existing Agreement.

2. Amendments to the Existing Agreement. As of the Effective Date (defined above), the Existing Agreement is hereby amended or modified as follows:

(a) Section 5.2 of the Existing Agreement is hereby amended by:

(i) deleting the first sentence of that Section; and

(ii) inserting as a new first sentence the following:

"If there is a Change in Control, as defined below, and if Employee either resigns for Good Reason or Employee's employment is terminated by Bio-Techne or its successor, in either situation upon consummation of such Change in Control or within one (1) year thereafter, then Employee will be paid an amount equal to one (1) year of her then-current base annual salary plus the pro-rated value of any incentive compensation earned through the date of such termination pursuant to Section 2.2 above and the automatic acceleration of any vesting requirements of the equity grants awarded to Employee by Bio-Techne during the term of her employment (hereinafter referred to as the "CIC Severance Payment"); provided, however, that Employee shall be entitled to the CIC Severance Payment set forth in this Section 5.2 only if she executes within 60 days of resignation or termination of employment, does not rescind, and fully complies with a release agreement in a form supplied by Bio-Techne, which will include, but not be limited to, a comprehensive release of claims against Bio-Techne and its directors, officers, employees and all related parties, in their official and individual capacities.

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3. Except as expressly provided in this First Amendment, all of the terms and provisions of the Existing Agreement are and will remain in full force and effect and are hereby ratified and confirmed by the Parties.

THE PARTIES HAVE executed this Agreement in the manner appropriate to each as of the dates set forth below.

BIO-TECHNE CORPORATION

By \_\_\_\_\_, 2015  
Its Chief Executive Officer Date

EMPLOYEE

\_\_\_\_\_, 2015  
EXECUTIVE OFFICER Date



**CODE**  
of  
Ethics and  
Business  
Conduct



**biotechne®**

---



## Vision

Be Epic, Build an Epic Organization, Enable Epic Scientific Discovery

## Mission

Epic Tools for Epic Science

## Values

### ENABLING

- ▶ Empower people
- ▶ Develop people
- ▶ Hold people accountable

### PASSIONATE

- ▶ Make work enjoyable
- ▶ Stay energized
- ▶ Know why your work is important

### INNOVATIVE

- ▶ Make things better
- ▶ Take risks worth taking
- ▶ Learn from failure

### COLLABORATIVE

- ▶ Treat others well
- ▶ Share best practices
- ▶ Work across boundaries

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## CEO's Message

Our success has been based on hard work and on an unwavering commitment to integrity in everything we do. It is one of our core values. An important step in meeting our day-to-day ethics and compliance responsibilities is to be mindful of our commitments --- to each other, to our customers, to our business partners, and to the communities where we work and live. Today's business environment is complex and much has changed in recent years, but one thing that has never changed is our belief that maintaining our good reputation is essential to our success.

Ethical behavior is everyone's responsibility at Bio-Techne. This Code of Ethics and Business Conduct provides information about our personal responsibilities, including complying with the law and applying our good judgment each and every day.

Of course this Code cannot answer all of your questions or address every situation, which is why we have resources available to answer your questions, respond to your concerns and follow up when problems occur. If you are unsure of what to do in particular circumstances, or if you are concerned that the Code, our policies or regulations are not being followed, you have a responsibility to speak up. A problem cannot be resolved unless it has first been identified. It's quite simple: if you have a question, or believe there may be a violation, speak up.

I believe the quality of our people and our commitment to ethics and compliance will not only enable us to succeed today, but will help us to achieve long term success. I am convinced that working together, with the help of this Code, we will not only meet our goals, but we will also continue to be proud of how we achieve success.

Thank you for your continuing commitment to the success of Bio-Techne.

Sincerely,

Charles (Chuck) Kummeth

*President and Chief Executive Officer  
Bio-Techne Corporation*

HONESTY • INTEGRITY • RESPONSIBILITY

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# Introduction and Overview

## Our Commitment to Ethics and Compliance

Every employee is responsible for helping to protect the reputation of Bio-Techne and all of its affiliated companies. We must always act with integrity; when we do, others will know they can trust us and will have confidence that we will be honest and fair. We want to be known as a company that honors its commitments and is a reliable business partner. When we do the right thing, we protect our reputation, and that will help us to succeed in today's complex and competitive business environment.

This Code is a summary of how we will do business in accordance with our values, policies, and various laws and regulations. It is designed to guide you when you have questions about what to do in specific situations.

Since Bio-Techne operates in many countries, we need to be especially aware of different laws and customs that apply, including healthcare laws. While we respect the norms of our customers, business partners and co-workers throughout the world, all employees must, at a minimum, comply with the standards and principles in this Code unless they are inconsistent with local law, in which case you should seek guidance from the Compliance Officer.

## How to Use This Code

The Code is a resource when you need information about our policies or standards, or when you are faced with a difficult ethical situation.

It's impossible to anticipate every question you may have or every ethically difficult situation you might face. So, in addition to the Code, Bio-Techne also has other resources that can be of help. These additional resources are identified throughout the Code. As always, the Company relies on you to use good judgment and to seek help when you need it.

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## To Whom This Code Applies

This Code applies to all employees, officers and directors at Bio-Techne and all of its affiliated companies. Business partners, such as distributors, consultants, and temporary employees, may in certain circumstances act as representatives of Bio-Techne. They are expected to follow the spirit of the Code, as well as any applicable contractual provisions, when working on our behalf.

Managers who supervise our business partners and temporary employees are responsible for ensuring that they understand our ethics standards. If a distributor or other business partner fails to comply with our ethics and compliance expectations and their related contractual obligations, their contract with us may be terminated.

## Asking Questions – Using the Integrity Line

If you see or suspect any illegal or unethical behavior, or you have a question about what to do, talk to your supervisor and ask for help.

Sometimes, you may not be able to talk about an issue with your supervisor. If that's the case, you have several options. You may contact the Compliance Officer, Human Resources, the Legal Department, your business unit leader, or any other executive officer. You also have the option to call Bio-Techne's Integrity Line or to make a report via the internet.

The Company will make every reasonable attempt to ensure that your concerns are addressed appropriately.

## What to Expect When Using the Integrity Line

The Integrity Line and the web portal are available 24 hours a day, seven days a week. Trained specialists from an independent third party provider of corporate compliance services will answer your call, document your concerns and forward a written report to Bio-Techne's Compliance Officer for further investigation.

When you contact the Company's Integrity Line or make a report, you may choose to remain anonymous where allowed by local law. All contacts will be treated equally whether you report anonymously or give your name.

After you make a report, you will receive an identification number so you can follow up on your concern. Following up is especially important if you have submitted a report anonymously, as we may need additional information in order to conduct an effective investigation. This identification number will also enable you to track the resolution of the case; however, please note that, out of respect for privacy, the Company will not be able to inform you about individual disciplinary actions.

Any report you make will be kept confidential to the extent possible by all individuals involved with reviewing and, if necessary, investigating it.

**Bio-Techne has an opportunity to improve every time you ask a question or raise a concern.**

**When you take action, speak up and report questionable conduct, you are protecting your colleagues and our reputation. Remember, an issue cannot be addressed unless it is brought to someone's attention.**

**question** Our supervisor typically does nothing

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when concerns about potential misconduct are brought to her attention and I believe she has made things difficult for employees who have raised issues. Now I have a problem. A co-worker is doing something that I believe to be ethically wrong. What should I do?

Take action and speak up. You are encouraged to report misconduct. While starting with your supervisor is often the best way to efficiently address concerns, if you do not believe that it is appropriate or do not feel comfortable doing so, you should talk to another member of management, or any of the resources listed in the Code.

**question** What if someone misuses the Integrity Line, makes an anonymous call, and falsely accuses someone of wrongdoing?

Experience has shown that the Integrity Line is rarely used for malicious purposes, but it is important to know that we will follow up. Anyone who uses the Integrity Line in bad faith to spread falsehoods or threaten others, or with the intent to unjustly damage another person's reputation, will be subject to disciplinary action up to and including termination.

## Our Non-Retaliation Policy

You can report ethical violations in confidence and without fear of retaliation. Bio-Techne will not tolerate any retaliation against an employee who asks questions or makes reports of possible violations of the Code or policies.

**question** I suspect there may be some unethical behavior going on in my department involving my supervisor. I know I should report my suspicions, and I'm thinking about using the Integrity Line, but I'm concerned about retaliation.

You should report misconduct, and in your situation using the Integrity Line is a good option. We will investigate your suspicions and may need to talk to you to gather additional information. After you make the report, if you believe you are experiencing any retaliation, you should report it. We take claims of retaliation seriously. Reports of retaliation will be thoroughly investigated and, if they are true, retaliators will face discipline up to and including termination.

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## Bio-Techne's Guidelines for Making Good Decisions

Making the right decision is not always easy. There will be times when you'll be under pressure or unsure of what to do. Always remember when you have a tough choice to make, you're not alone. Your colleagues and management are available to help, and you have other resources to turn to, including the Code, our policies, your supervisor, the Compliance Officer and the Integrity Line.

When faced with a tough decision, it may help to ask these questions about the action you are considering:

- ▶ Is it legal?
- ▶ Is it consistent with the Code and policies?
- ▶ Is it based on a thorough understanding of the risks involved?
- ▶ Would I still be comfortable with the decision if it appeared in the newspaper?

If the answer to any of these questions is no, stop and seek help to identify a better course of action.

**question** My department is sometimes asked to achieve very aggressive financial targets. Sometimes I feel pressured to violate the Code and policies to achieve these financial goals. Is this acceptable?

No. While successful businesses set high goals and employees strive to achieve them, you should never violate the Code or Bio-Techne's policies to achieve your or the department's objectives.

## Employee Responsibilities

Each of us must take responsibility for acting with integrity, even when this means making difficult choices. Meeting our responsibilities is what enables us to succeed and grow – today and in the future.

- ▶ Always act in a professional, honest and ethical manner when representing the Company.
- ▶ Know the information in the Code and policies, paying particular attention to the topics that pertain to your job responsibilities.
- ▶ Complete all required employee training in a timely manner and keep up-to-date on current standards and expectations.
- ▶ Report concerns about possible violations of laws, regulations or the Code to your supervisor or any of the resources listed in this Code.
- ▶ Cooperate and tell the whole truth when responding to an investigation or audit
- ▶ Never alter or destroy records in response to an investigation or when an investigation is anticipated.

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## Achieving Goals is No Excuse

Remember, no reason, including the desire to meet business goals, should ever be an excuse for violating laws, regulations, the Code or Company policies.

**question** I'm a manager and I'm not clear what my obligations are if someone comes to me with an accusation – and what if it involves a senior leader?

No matter who the allegation involves, you should report it. Bio-Techne provides several avenues for reporting concerns. If for any reason you are uncomfortable making a report to a particular person, you may talk to any of the other resources listed in the Code or another member of management.

## Additional Responsibilities of Bio-Techne's Management

Bio-Techne managers are expected to meet the following additional responsibilities:

- ▶ Lead by example. Managers are expected to exemplify the highest standards of ethical business conduct.
- ▶ Help create a work environment that focuses on building relationships, recognizes hard work, and values mutual respect and open communication.
- ▶ Be a resource for others. Communicate to employees, consultants and contract workers about how the Code and policies apply to their daily work.
- ▶ Be proactive. Look for opportunities to discuss and address ethics and challenging situations with others.

- ▶ Create an environment that can allow everyone to feel comfortable asking questions and reporting potential violations of the Code and policies. Respond quickly and effectively to concerns that are brought to your attention.
- ▶ Never ask another or pressure anyone to do something that you would be prohibited from doing yourself.
- ▶ Ensure that Company resources are used properly and productively.
- ▶ Be aware of the limits of your authority and do not take any action that exceeds those limits. Delegate authority only where permissible and never delegate authority to any individual who you believe may engage in unlawful conduct or unethical activities. See *Delegation of Management Authority Policy*.
- ▶ If you supervise third parties, ensure that they understand their ethics and compliance obligations.

## Employees Usually Seek Help from Managers First

Managers should not consider ethics concerns as a threat or challenge to their authority – employees generally go to their supervisors first with any question or concern. We want an open, honest and trustful dialogue to become a natural part of daily work. However, employees are permitted to use other resources first instead of their supervisors.

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**question** I'm a manager. If I observe misconduct in an area not under my supervision, am I still required to report the issue?

You are chiefly responsible for employees, contractors and third parties under your supervision, but all Bio-Techne employees are encouraged to report any misconduct they become aware of. And as a leader, you have special responsibilities to take action. The best approach is to talk first with the supervisor who oversees the area where the problem is occurring, but if this doesn't work, or isn't feasible, you should use other resources listed in the Code.

**question** I just learned that a good friend of mine has been accused of sexual harassment and that an investigation is being launched. I can't believe it's true and I think it's only fair that I give my friend an advance warning or a 'heads up' so he can defend himself. Don't I have a responsibility as a friend to tell him?

Under no circumstances should you give him a 'heads up.' Your friend will be given the opportunity to respond to these allegations and every effort will be made to conduct a fair and impartial investigation. An allegation of sexual harassment is a very serious matter with implications not only for the individuals involved but also for the Company. Alerting your friend could jeopardize the investigation and expose the Company to additional risk and possible costs.

## Cooperating with Investigations, Audits and Inquiries

All employees are expected to cooperate fully and truthfully with investigations, audits and inquiries. With respect to inquiries from regulators, we must never mislead any investigator and never alter or destroy documents or records in response to an investigation.

All requests from regulators or other government representatives for information other than what is provided on a routine basis should be reported to the Legal Department immediately. When we are notified of an external investigation, we will take prompt action to preserve relevant documents.

## Accountability and Discipline

Violating relevant laws, regulations or the Code, or encouraging others to do so, exposes the Company to liability and puts Bio-Techne's reputation at risk. If an ethics or compliance problem does occur, you are encouraged to report it so that an effective solution can be developed. You should also understand that violations of laws or regulations may result in legal proceedings and penalties including, in some circumstances, criminal prosecution.

## Waivers and Exceptions

Management will regularly reassess this Code and recommend changes to the Board of Directors for approval. In extremely limited circumstances, the Company may find it appropriate to waive a provision of the Code.

All such waivers may be granted only by the Board of Directors or the Audit Committee for executive officers or members of the Board, and by the Chief Executive Officer in consultation with the Compliance Officer for all other employees. All waivers granted to executive officers and members of the board will be disclosed as required by law.







# Maintaining Respect and Integrity in Our Work Environment

We owe each other honesty, respect and fair treatment; we should always treat others as we want to be treated. This is the basis of our commitment to one another and it is the foundation of our success. To maintain that shared commitment, and to attract and keep talented individuals, it is vital that we continue to have a supportive, professional and respectful work environment.

Maintaining this respectful environment not only helps Bio-Techne succeed; it also creates the setting for each of us to thrive and to reach our full potential. What follows are some of the key areas where we must be guided by our commitment to each other.

## Honoring Our Differences

Bio-Techne helps bring together employees with a wide variety of backgrounds, skills and cultures. Combining such a wealth of talent and resources creates the diverse and dynamic teams that consistently drive our results.

Our colleagues, job applicants and business partners are entitled to respect and should be judged on the basis of their qualifications, demonstrated skills and achievements.

We support laws prohibiting discrimination based on a person's race, color, gender, national origin, age, religion, disability, veteran status, marital status, sexual orientation or other protected characteristics.

### Make sure you:

- ▶ Treat others respectfully and professionally.
- ▶ Promote diversity in hiring and other employment decisions.
- ▶ Do not discriminate against others on the basis of any other characteristic protected by law or Company policy.

Maintaining Respect and Integrity in  
**OUR WORK ENVIRONMENT**





### Watch out for:

- ▶ Comments, jokes or materials, including emails, which others might consider offensive.
- ▶ Inappropriate bias when judging others. If you supervise others, judge them on performance. Avoid introducing unrelated considerations into your decisions. Use objective, quantifiable standards.

### To learn more:

- ▶ Discuss any questions or concerns about diversity and equal opportunity with your supervisor or Human Resources.
- ▶ Refer to your local employee or personnel handbook or policies.

**question** One of my co-workers sends e-mails containing jokes and derogatory comments about certain nationalities. They make me uncomfortable, but no one else has spoken up about them. What should I do?

You should notify your immediate supervisor or Human Resources. Sending such jokes violates our values as well as our policies pertaining to the use of e-mail and our standards on diversity, harassment and discrimination. By doing nothing, you are condoning discrimination and tolerating beliefs that can seriously erode the team environment that we have all worked to create.

## Harassment-Free Workplace

We all have the right to work in an environment that is free from intimidation, harassment and abuse.

Verbal or physical conduct by any employee that harasses another, disrupts another's work performance, or creates an intimidating, offensive, abusive, or hostile work environment is not part of our culture.

## At Bio-Techne, we do not tolerate:

- ▶ Threatening remarks, obscene phone calls, stalking or any other form of harassment.
- ▶ Causing physical injury to another.
- ▶ Intentionally damaging someone else's property or acting aggressively in a manner that causes someone else to fear injury.
- ▶ Threatening, intimidating or coercing others on or off the premises -- at any time, for any purpose.
- ▶ Firearms or other weapons and/or hazardous materials on Company property, parking lots, and alternate work locations maintained by Bio-Techne or at Company sponsored events, unless permitted by law.

A common form of harassment is sexual harassment, which in general occurs when:

- ▶ Sexually-based actions that are unwelcome are made a condition of employment or used as the basis for employment decisions such as a request for a date, a sexual favor, or other similar conduct of a sexual nature.
- ▶ An intimidating, offensive, or hostile work environment is created by unwelcome sexual advances, insulting jokes, or other offensive verbal or physical behavior of a sexual nature.

### Make sure you:

- ▶ Help each other by speaking out when a co-worker's conduct makes others uncomfortable.
- ▶ Never tolerate sexual harassment, including requests for sexual favors, or other unwelcome verbal or physical conduct of a sexual nature.





- ▶ Demonstrate professionalism. Do not visit inappropriate internet sites or display sexually explicit or offensive pictures.
- ▶ Promote a positive attitude toward policies designed to build a safe, ethical and professional workplace.
- ▶ Report all incidents of harassment and intimidation that may compromise our ability to work together and be productive.

#### Watch out for:

- ▶ Unwelcome remarks, gestures or physical contact.
- ▶ The display of sexually explicit or offensive pictures or other materials
- ▶ Sexual or offensive jokes or comments (explicit or by innuendo) and leering.
- ▶ Verbal abuse, threats or taunting.

#### To learn more:

- ▶ Discuss any questions or concerns about harassment, with Human Resources or the Compliance Officer.
- ▶ Refer to your local employment or personnel handbook or policies for more detail.

**question** While on a business trip, a colleague of mine repeatedly asked me out for drinks and made comments about my appearance that made me uncomfortable. I asked him to stop, but he wouldn't. We weren't in the office and it was 'after hours' so I wasn't sure what I should do. Is it harassment?

Yes it is. This type of conduct is not tolerated, not only during working hours but in all work-related situations including business trips. Since you already told your colleague such actions were inappropriate and he did not stop, you need to report the problem.

## Employee Privacy

In recent years, individuals, companies and governments have grown increasingly concerned about the privacy and security of personal information. As a result, laws protecting personal information and how it may be collected, shared, and used are becoming more common.

Many of us have access to personal information related to our colleagues and others. While protecting this information may now be a legal requirement in some jurisdictions, for us at Bio-Techne privacy has always been a matter of trust.

#### Make sure you:

- ▶ Learn about the types of information which are given heightened protection by the law and Company policy (such as personally identifiable information, like government-issued identity and bank account numbers) and protect them through appropriate means (such as encryption or other types of limited access).
- ▶ Protect the confidentiality of personal information of current and former employees, as well as job applicants, business partners and customers.
- ▶ Never share employees' information outside the Company.
- ▶ Don't access, discuss or share confidential employee information unless there is a legitimate business reason to do so.
- ▶ Consult the Legal Department if law enforcement or regulatory authority or any other person outside the Company requests employee information.
- ▶ Return or destroy personal information that is no longer required by you for business reasons in accordance with our records retention policies.
- ▶ Only share confidential employee information within the Company if it is





necessary and you have made sure it will be appropriately protected.

- ▶ Immediately report to a manager any loss or inadvertent disclosure of employee information.

#### Watch out for:

- ▶ Unintentional exposure of confidential employee information in public settings such as on phone calls or while working on your laptop.
- ▶ The loss of control of confidential information. When sending personal information across borders or to third parties, make sure that the transmissions are for legitimate business reasons and that they comply with local law.

#### To learn more:

- ▶ Discuss any questions or concerns about employee privacy and confidential information with Human Resources or the Legal Department.

## Safe and Healthy Work Environment

Bio-Techne is committed to providing a safe and healthy work environment for employees and visitors to our facilities. Each of us is responsible for acting in a way that protects ourselves and others.

Be proactive and speak up. The more we communicate, the better we can respond to any unsafe or unhealthy working conditions.

Situations that may pose a health, safety or environmental hazard must be reported immediately. We can only achieve our goal of a safe and healthy workplace through the active participation and support of everyone.

#### Make sure you:

- ▶ Observe the safety, security and health rules and practices that apply to your job.
- ▶ Always display and swipe your personal identification badge when entering and exiting secure areas and do not allow others to enter without properly swiping their personal identification badges.
- ▶ Notify your supervisor, Safety, or your building's facilities group immediately about any unsafe equipment, or any situation that could pose a threat to health or safety or damage the environment. All employees have the right and responsibility to stop any work they feel may be unsafe.
- ▶ Comply with safety and health policies and procedures.
- ▶ Maintain a neat, safe working environment by keeping work stations, aisles and other work spaces free from obstacles, wires and other potential hazards.

#### Watch out for:

- ▶ Unsafe practices or work conditions.
- ▶ Lax enforcement of security standards, such as facility entry procedures and password protocols.
- ▶ Possession of a firearm, deadly weapon or explosives is not permitted on the company premises at any time, except as authorized by law.

#### To learn more:

- ▶ Discuss any questions or concerns about environmental, health and safety with your manager, Human Resources or with the safety officer.
- ▶ Refer to local employee handbook or safety policies.





### Alcohol and Drug-use

- ▶ While at work or on Company business, you should never be impaired, and always ready to carry out your work duties.
- ▶ While conducting Bio-Techne business, do not use, possess or be under the influence of illegal drugs or any substance, including prescription drugs, that could interfere with a safe and effective work environment or harm the Company's reputation.

**question** I've noticed some practices that we do in my area they don't seem safe. Who can I speak to? I'm new here, and don't want to be considered a troublemaker.

Thank you for being attentive. Discuss your concerns with your supervisor or Human Resources. There may be very good reasons for the practices, but it's important to remember that raising a concern about safety does not cause trouble, it is being responsible.

**question** Are subcontractors expected to follow the same Health, Safety and Security policies and procedures as employees?

Absolutely. Managers and supervisors are responsible for ensuring that subcontractors and vendors at work on Bio-Techne premises understand and comply with all applicable laws, and regulations governing the particular facility, as well as with additional requirements the Company may impose.

▶ Respect







Avoiding  
**CONFLICTS OF INTEREST AND IMPROPER  
GIFTS AND ENTERTAINMENT**

# Avoiding Conflicts of Interest and Improper Gifts and Entertainment

## Conflicts of Interest

A conflict of interest happens whenever you have a competing interest that may interfere with your ability to make an objective decision for Bio-Techne. Each of us is expected to use good judgment and avoid situations that can lead to even the appearance of a conflict which can undermine the trust others place in us and damage our reputation.

Conflicts of interest may be actual, potential or even just a matter of perception. Since these situations are not always clear-cut, you need to fully disclose them to your supervisor so that we can properly evaluate, monitor and manage them.

### Make sure you:

- ▶ Avoid conflict of interest situations whenever possible.
- ▶ Always make business decisions in the best interest of the Company.
- ▶ Discuss with your manager full details of any situation that could be perceived as a potential conflict of interest. Your manager may share your concern or require that you disclose the situation to the Compliance Officer.
- ▶ Think ahead and proactively address situations that may put your interests or those of a family member or friend in potential conflict with the Company.

### Watch out for:

Situations including the following, which are common examples of potential conflicts of interest:

#### Corporate Opportunities

If you learn about a business opportunity because of your job, it belongs to Bio-Techne first. This means that you should not take that opportunity for yourself unless you get written approval from your supervisor or the Compliance Officer.





### **Friends and Relatives**

On occasion, it is possible that you may find yourself in a situation where you are, or could be, working with a close friend or relative who works for a customer, supplier, competitor, etc. Since it is impossible to anticipate all situations that may create a potential conflict, you should disclose your situation to your supervisor in order to determine if any precautions need to be taken.

### **Outside Employment**

To ensure that there are no conflicts and that potential issues are addressed, you always need to disclose and discuss outside employment with your supervisor. If approved, you need to ensure that this outside activity does not interfere with or detract from your work. Working for a competitor, supplier, or customer may raise conflicts that will need to be resolved. Also, any approved side or personal business should not compete or do any business with Bio-Techne.

### **Personal Investments**

You should not have a significant investment in, or obligation to, one of Bio-Techne's competitors, suppliers, customers or business partners unless you have obtained permission from the Compliance Officer. "Significant" is hard to define, but as a rule of thumb, it means that your investment should not be big enough for someone to reasonably think that you would do something at Bio-Techne's expense to help your investment. If you are unsure whether there is a conflict, you should ask for additional guidance.

### **Civic Activities**

Unless company management specifically asks you to do so, you shouldn't accept a seat on the board of directors or advisory board of any of our competitors, suppliers, customers or partners, especially if your current job gives you the ability to influence our relationship with them.

### **To learn more:**

- ▶ Discuss any questions or concerns about conflicts of interest with your supervisor, Human Resources or the Compliance Officer.
- ▶ Refer to your local employee handbook or policies.

### **Gifts and Entertainment**

In the right circumstances, a modest gift may be a thoughtful "thank you," or a meal may be an appropriate setting for a business discussion which strengthens a professional relationship. However, if not handled carefully, the exchange of gifts and entertainment can look like a conflict of interest, especially if it happens frequently or if the value is large enough that someone could reasonably think it is influencing a business decision.

When it comes to gifts and entertainment, our position is straightforward – we do not accept or provide gifts, favors, or entertainment if the intent is to influence a business decision.

#### **Gifts and entertainment, before you act: Think before act**

Gifts and entertainment come in all different forms: shirts, pens, dinners, tickets to sporting events, to name just a few examples. Before you accept or offer gifts, entertainment or business courtesies, think about the situation – Does it legitimately support Bio-Techne's interest? Is the amount reasonable and customary? Would this embarrass you or the Company if it was on the front page of the newspaper?





### Make sure you:

- ▶ Only provide and accept gifts and entertainment that are reasonable complements to business relationships.
- ▶ Never accept gifts of any kind from a business partner with whom you are involved in contract negotiations.
- ▶ Exchange gifts and entertainment that foster goodwill in business relationships, but never provide or accept gifts, and entertainment that obligate or appear to obligate the recipient.
- ▶ Do not request or solicit personal gifts, favors, entertainment, or services.
- ▶ Accepting gifts of cash or cash equivalents (such as gift cards) from third parties is never allowed.
- ▶ Do not give or accept any single gift worth more than US\$100 or multiple gifts worth more than a total of US\$100 in a year without prior approval from the Compliance Officer or an Executive Officer.
- ▶ Understand and comply with the policies of the recipient's organization before offering or providing gifts, favors or entertainment.
- ▶ Be careful when using agents who represent us or third parties who introduce business partners to us. Monitor them during the duration of any agreement to ensure they live up to our high standards.
- ▶ Raise a concern whenever you learn of any sign or "red flag" that a colleague, third party or other agent of the Company may be engaged in any attempt to improperly influence a decision of a customer or government official.

### Watch out for:

- ▶ Situations that could embarrass you or the Company, including entertainment at sexually oriented establishments.
- ▶ Business partners or customers who may have gift and entertainment standards that are stricter than ours.
- ▶ Business partners that appear to be privately held but are actually considered government entities.
- ▶ Gifts, favors or entertainment that may be reasonable for a privately owned customer but not for a government official or agency.
- ▶ Third parties or agents who are thought to be valuable primarily for their personal ties rather than for the services they perform or who request compensation out of proportion to their services.

### To learn more:

- ▶ Discuss any questions or concerns about gifts and entertainment with the Compliance Officer.
- ▶ Refer to the Company's Travel and Expense Policy
- ▶ Refer to the Bio-Techne Global Anti-Corruption Policy and related materials.

**question** When I was traveling, I received a gift from a business partner that I believe was excessive. What should I do?

You need to let your manager know or report it to the Compliance Officer as soon as possible. We may need to return the gift with a letter explaining our policy. If a gift is perishable or impractical, or it would be considered rude or a loss of face to return, another option may be to distribute it to employees or donate it to charity, with a letter of explanation to the donor.





**question** During contract negotiations with a potential new supplier, the new supplier mentioned that they had a complimentary registration to a local business seminar. They are unable to attend and asked if I would like to go in their place. I had been thinking of attending the seminar anyhow, since the subject of the seminar applies to my work. There's no personal gain to me, it would be good for Bio-Techne, and it would be a shame to waste the registration, I planned on saying 'yes.' Now I wonder if that would be the right decision.

You should decline the offer. If you are involved in contract negotiations, you must never accept any gifts while the negotiation process is on-going. Accepting gifts during negotiations can give the appearance of a 'quid pro quo' and is always inappropriate.

### Gifts and Entertainment of Government Representatives

The Company is committed to meeting the many special legal, regulatory and contractual requirements that apply to government-related work around the world. These requirements may apply to bidding, accounting, invoicing, subcontracting, employment practices, contract performance, gifts and entertainment, and other matters.

In addition, Bio-Techne may be legally obligated to impose these requirements on any distributors or agents who represent us. You must always make sure you know whether you are dealing with a government-related entity. This is not always obvious. Businesses such as hospitals, clinics and universities may be owned or controlled by a government, in whole or in part, and subject to special rules. When in doubt, discuss the situation with your manager or the Compliance Officer.

▶ Honesty







Working with  
**OUR CUSTOMERS  
AND BUSINESS PARTNERS**

## Working with **Our Customers and Business Partners**

### Honest and Fair Dealing

We treat our customers and business partners fairly. We work to understand and meet their needs while always remaining true to our own ethical standards. We tell the truth about our services and capabilities and we do not make promises we can't keep.

In short, we treat our customers and business partners as we would like to be treated.

### Marketing and Advertising Standards

Marketing of Bio-Techne must be truthful and accurate. Our advertising and promotions, and that of our distributors and other business partners, must always be tasteful and not offensive to the Company, customers and the general public. False claims about competitors' products or services are never acceptable.

#### Make sure you:

- ▶ Treat each customer and business partner fairly and honestly.
- ▶ Talk to your supervisor if you believe there any issues with our customer service or business partner relations.
- ▶ Never follow the request from a customer or business partner to do something that you regard as unethical or unlawful.
- ▶ Promise what you can deliver and deliver what you promise.

#### Watch out for:

- ▶ Temptations to tell customers and business partners what you think they want to hear rather than the truth; if a situation is unclear, begin by presenting a fair and accurate picture as a basis for decision.





#### To learn more:

- ▶ Discuss any questions or concerns about our marketing standards or customer service with our sales and marketing leadership.
- ▶ Contact the Legal Department or Compliance Officer with any potential legal or ethical concerns relating to our marketing or sales practices.

## Protecting the Private and Confidential Information of Others

Our customers and our business partners place their trust in us. We must protect their confidential information.

#### Make sure you:

- ▶ Learn about the types of information which are given heightened protection by the law and Company policy (such as personally identifiable information, like government-issued identity cards and bank account numbers) and protect them through appropriate means (such as encryption or other types of limited access).
- ▶ Never share third party confidential information outside the Company except as authorized.
- ▶ Respect the copyrights, trademarks and license agreements of others when dealing with printed or electronic materials, software or other media content.
- ▶ Immediately report any loss, misuse or theft of third party confidential information or intellectual property.

#### Watch out for:

- ▶ Requests by business partners for information about our customers or about our other business partners.

- ▶ Unintentional exposure of third party information in public settings such as on phone calls or while working on your laptop.

#### To learn more:

- ▶ Discuss any questions or concerns about the privacy of others with the Legal Department or Business Development.
- ▶ Contact the Compliance Officer if you have any concerns about our practices related to treatment of third party confidential information.

## Product Quality

Exceptional quality of our products is our top commitment to our customers. Bio-Techne will comply with applicable laws and standards to deliver on this pledge.

#### Make sure you:

- ▶ Do your part to rigorously meet or exceed professional industry standards and customer expectations regarding the safety and quality of our products.
- ▶ Notify your supervisor or other management immediately if you believe there is a product quality issue, so that appropriate action can be taken, if necessary.

#### Watch out for:

- ▶ Any compromise in the high quality of our products.
- ▶ Pressure from employees or managers to cut corners on our quality standards.

#### To learn more:

- ▶ Discuss any questions or concerns about product quality with our Quality Department.
- ▶ Refer to the Quality Policy



## Competitive Intelligence

Information about competitors is a valuable asset in today's competitive business environment. When collecting business intelligence, Bio-Techne employees and others working on our behalf must always live up to the highest ethical standards.

We must never engage in fraud, misrepresentation or deception to obtain information. Nor should we use invasive methods to "spy" on others. We also need to be careful when accepting information from third parties. You should know and trust their sources and be sure that the knowledge they provide is not protected by trade secret laws, or non-disclosure or confidentiality agreements.

While we employ former employees of competitors, we recognize and respect the obligations of those employees not to use or disclose the confidential information of their former employers.

### Make sure you:

- ▶ Obtain competitive information only through legal and ethical means, never through misrepresentation.
- ▶ Never contact a competitor regarding their confidential information.
- ▶ Respect the obligations of others to keep competitive information known to them as confidential.
- ▶ Do not induce or receive confidential information of other companies.
- ▶ Make sure that third parties acting on our behalf live up to our standards.
- ▶ Do not disclose suppliers' non-public pricing information.

### Watch out for:

- ▶ Retaining papers or computer records from prior employers in violation of laws or contracts.
- ▶ Using anyone else's confidential information without appropriate approvals.
- ▶ Using job interviews as a way of collecting confidential information about competitors or others.
- ▶ Asking new employees to discuss confidential information from their previous employer.
- ▶ Receiving suggestions from third parties for new products, product features, or services when the source of the original idea is not fully known.
- ▶ Obtaining information through any behavior that could be construed as "espionage", "spying" or which you would not be willing to fully disclose.
- ▶ Relying, without verification, on third parties' claims that business intelligence was obtained properly.

### To learn more:

- ▶ Discuss any questions or concerns about collecting business intelligence with the Business Development or Legal Departments.

**question** One of my direct reports who recently joined Bio-Techne from a competitor has brought with her a customer list and price list of the competitor. She says she plans to use it to our advantage. Should I just ignore this and let her do it?

No. If an employee retains competitor information it can result in legal action by the competitor. Tell her not to use the information. If she insists, or if you believe she will use the information anyway, you must report this to the Legal Department for appropriate action.





## Government Contracting

Bio-Techne conducts business with governments and government-owned entities. Our policy is to comply fully with all applicable laws and regulations that apply to government contracting and transactions.

Leaders who oversee work with governments and government-owned entities must remain up-to-date on relevant regulations and should contact the Legal Department with any questions. Special care should be taken to ensure that any third party, while acting on behalf of the Company to provide goods or services on government projects, is aware of and abides by our high standards and their contractual obligations.

### Make sure you:

- ▶ Never make or cause to be made to the government a false or fraudulent statement or a false claim for payment, whether orally or in writing. This includes bids, proposals, and requests for payment. The pricing and other terms established for a particular government contract should be followed for that contract.
- ▶ Never provide anything of value to a government employee for an improper purpose. Be aware that many government employees are subject to strict rules which basically require them to pay for their own expenses with limited exceptions.

- ▶ Always use legitimate methods to obtain a contract. Never seek or receive information that the Company is not authorized to possess, including, but not limited to, confidential or proprietary data, pricing information of other competitors for government contracts, and non-public government documents relating to bidding or source selection.
- ▶ Always comply with relevant conflict of interest restrictions.

### Watch out for:

- ▶ Internal pressure from colleagues to “stretch the truth” in an effort to secure a government contract.
- ▶ Confidential, proprietary or otherwise non-public information related to competitors or government customers that should not be considered in the government contracting processes. Such information is not always marked.

### To learn more:

- ▶ Discuss any questions or concerns about government contracting with the Legal Department.







# Protecting Our Information and Assets

## Protecting Company Assets

We are entrusted with Bio-Techne's assets and are personally responsible for protecting them and using them with care. Company assets include funds, facilities, equipment, information systems, intellectual property and confidential information.

### Make sure you:

- ▶ Only use Bio-Techne assets for legitimate business purposes.
- ▶ Minimize personal use of Company assets. Personal use of Company assets is discouraged, should be kept to a minimum and should have no adverse effect on productivity and the work environment.
- ▶ Do not use Bio-Techne equipment or information systems to create, store or send content that others might find offensive.
- ▶ Do not share passwords or allow other people, including friends and family, to use Bio-Techne resources.
- ▶ Avoid any use of Company assets that might cause loss to the Company or damage to the assets.
- ▶ Immediately notify your supervisor, the Chief Financial Officer, the Legal Department or the Compliance Officer if you suspect any fraud, misuse or theft of Company assets.
- ▶ Only use software that has been properly licensed. The copying or use of unlicensed or "pirated" software on Company computers or other equipment to conduct Company business is strictly prohibited. If you have any questions about whether or not a particular use of software is licensed, contact the IT Department.





### Watch out for:

- ▶ Company property that is not secured when not in use.
- ▶ Requests to borrow or use Bio-Techne equipment without approval.
- ▶ Unknown individuals without proper credentials in our facilities.
- ▶ Excessive use of Bio-Techne resources for personal purposes.
- ▶ Lax enforcement of electronic access control cards.
- ▶ Sharing of passwords.

### To learn more:

- ▶ Discuss any questions or concerns about protecting Company assets with the Legal Department.
- ▶ Refer to your local employee handbook or policies.
- ▶ Refer to the MIS Security Policy.

## Proper Use of Electronic Media

We rely heavily on computer assets to meet operational, financial and compliance requirements. These systems and related data files are important assets of the company that must be protected.

Whether using company information technology or personal devices, we meet company standards to protect our technology, data and content as well as that of third parties, and we don't share confidential information with people outside or inside the company unless it's necessary and we're authorized to do so.

Limited, personal use of company assets – electronic media, phones and email - is permitted as long as such use is kept to a minimum and has no adverse effect on productivity and the work environment.

## Confidential Company Information

One of our most valuable assets is information. Each of us must be vigilant and protect Bio-Techne's confidential information. This means keeping it secure, limiting access to those who have a need to know in order to do their job, and avoiding discussion of confidential information in public areas.

The obligation to preserve Bio-Techne's confidential information continues even after employment ends.

### Make sure you:

- ▶ Use and disclose confidential information only for legitimate business purposes.
- ▶ Properly label confidential information to indicate how it should be handled, distributed and destroyed.
- ▶ Protect Company intellectual property and confidential information by sharing it only with authorized parties.
- ▶ Only store or communicate Company information using Bio-Techne's information systems or other authorized storage systems.

### Watch out for:

- ▶ Discussion of confidential information when others might be able to overhear what is being said – for example on planes, elevators and when using mobile phones.
- ▶ Being careful not to send confidential information to unattended fax machines or printers.

### To learn more:

- ▶ Discuss any questions or concerns about confidential Company information with the Legal Department.
- ▶ Review current company policies related to confidentiality obligations.



## Intellectual Property

Bio-Techne's intellectual property (IP) is an important asset that must be protected.

Some examples of our IP are:

- ▶ Business and marketing plans
- ▶ Company initiatives and strategic plans
- ▶ Customer lists
- ▶ Trade secrets, including many of our manufacturing protocols
- ▶ Systems, software and technology
- ▶ Patents and patent applications
- ▶ Trademarks and trade names

Promptly disclose to company management any inventions or other IP that you create while you are employed by Bio-Techne. If an invention may be patentable, fill out an invention disclosure form.

Properly label confidential information, including IP, to indicate how it should be handled, distributed and destroyed.

Protect IP by sharing it only with authorized parties.

## Creating and Managing Our Business Records

Business partners, government officials and the public need to be able to rely on the accuracy and completeness of our disclosures and business records. Accurate information is also essential within the Company so that we can make good decisions.

Our financial books and records must be clear, complete and in compliance with accepted accounting rules and controls. Employees with a role in financial or operational recording or reporting have a special responsibility in this area, but all of us contribute to the process of recording business results and maintaining records. Each of us is responsible for helping to ensure the information we record is accurate, complete and maintained in a manner that is consistent with our system of internal controls.

If you suspect any irregularity relating to the integrity of our financial or business records, you need to report it immediately to your supervisor, the Chief Financial Officer or the Legal Department.

It is also vitally important that other records are accurate and complete, including all records relating to our Quality System, as well as invention and scientific discovery records. Customers rely on the accuracy of our manufacturing and quality control records to support the high quality of our products, and regulators require such accuracy. Our reputation as an innovative company is also important; integrity in our invention and other scientific records is vital both to our reputation as a company and to support our intellectual property portfolio.

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## Legal Holds

A legal hold suspends the destruction procedures for specified business records in order to preserve appropriate records under special circumstances, such as litigation or government investigations. Bio-Techne's Legal Department will determine and identify what types of records are required to be placed under a legal hold. Every employee, agent and contractor must comply with this policy.

If there is any question as to whether a record pertains to an investigation or legal proceeding or may be responsive to a subpoena, contact the Legal Department before disposing of the potentially responsive document. Note that records include not just documents, but also emails, computer files, and records in any other form.

### Make sure you:

- ▶ Create accounting and business records that accurately reflect the truth of the underlying event or transaction.
- ▶ Record transactions as prescribed by our system of internal controls.
- ▶ Write carefully and clearly in all your business communications, including emails. Write with the understanding that someday they may become public documents.
- ▶ Sign only documents – including contracts, scientific notebooks and invention records – you have reviewed, are authorized to sign, and believe are accurate and truthful.
- ▶ Retain, protect and dispose of quality-system related records according to our Quality System policies. Records subject to legal hold notices, document preservation requests or regulatory requirements may be subject to additional protections.

- ▶ If you are uncertain about the validity of a financial entry or process, consult with the Controller or Chief Financial Officer.

### Watch out for:

- ▶ False information on an expense report or time sheet. Do not record false sales or record them early, understate or overstate known liabilities and assets, or defer recording items that should be expensed.
- ▶ Financial entries that are not clear and complete, or that hide or disguise the true nature of any transaction.
- ▶ Undisclosed or unrecorded funds, assets or liabilities.
- ▶ Interference with the auditing of Bio-Techne's financial records.
- ▶ Inaccurate or incomplete scientific or quality system records.

### To learn more:

- ▶ To discuss any questions or concerns about our quality system records management process, contact QA. For more information about financial systems and records, contact the Controller or Chief Financial Officer. If you have questions or concerns about legal holds, or other issues relating to this topic, contact the Legal Department.
- ▶ Refer to the *Quality System Records Policy* for record retention of quality system documents.
- ▶ Refer to the *Management Delegation of Authority Policy* for more information on the authority of management to execute agreements and authorize company actions.

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**question** At the end of the last quarter reporting period, my supervisor asked me to record additional expenses even though I had not yet received the invoices from the supplier and the work has not yet started. I agreed to do it, mostly because I didn't think it really made a difference since we were all sure that the work would be completed in the next quarter. Now I wonder if I did the right thing.

No, you did not, but it is right to bring it up now, not just let it pass. Costs must be recorded in the period in which they are incurred. The work was not started and the costs were not incurred by the date you recorded the transaction. It was therefore a misrepresentation and, depending on the circumstances, could amount to fraud. The better action would have been to refuse, and to report it immediately to someone else in Accounting or to the Compliance Officer.

**question** We received a complaint from one of our customers about the performance of one of our assays. After talking with the customer, I decided she was incompetent and the problem was with the customer and not the assay. I am overloaded with work and don't want the extra paperwork; since it is not a problem with our product, I decided not to record this as a complaint. Now one of my colleagues has reported me to our supervisor. Is this really such a big deal?

You should have recorded it, even if you believed it was not a product quality problem. It is very important that all of our quality system records be complete and accurate, including any product complaints, regardless of fault.

▶ Integrity







# Following the Letter and the Spirit of the Law

## Insider Trading

Confidential information may not be used for personal benefit. Each of us is prohibited from trading securities or passing information on to others who then trade ("tipping") on the basis of material information before it is made publicly available to ordinary investors.

Material information is the kind of information a reasonable investor would take into consideration when deciding whether to buy or sell a security. Some examples of information about a company that might be material are:

- ▶ A proposed acquisition or sale
- ▶ A significant expansion or cutback of operations
- ▶ A significant product development or important information about a product
- ▶ Financial performance of the Company before it is released to the public

### Make sure you:

- ▶ Do not buy or sell stock of any company when you have material, nonpublic information about that company.
- ▶ Do not communicate such material, nonpublic information to other people.

### Watch out for:

- ▶ Requests by friends or family for information about companies that we do business with or have confidential information about. Even casual conversations could be viewed as illegal "tipping" of inside information.
- ▶ The risk of "tipping." You need to be very careful when you have material, non-public information to make sure you do not share it with anyone, either on purpose or by accident, unless it is





essential for Bio-Techne-related business. Giving this information to anyone else who might make an investment decision based on your inside information is considered “tipping” and is against the law regardless of whether you benefit from the outcome of their trading.

#### To learn more:

- ▶ Discuss any questions or concerns about insider trading with the Compliance Officer or your own lawyer.
- ▶ Refer to the *Bio-Techne Insider Trading Policy*.

**question** I overheard a hallway conversation between two executives about a possible acquisition by Bio-Techne. I did not hear any of the details, but I did hear the name of the company. I had been planning to exercise some options and sell stock. Can I still do that?

‘Material information’ includes any information that a reasonable investor would consider important when deciding whether to buy, sell or hold stock. This can include information about acquisitions. If you’re in doubt about whether certain information is material or has been released to the public, don’t trade until you have consulted with the Legal Department or your own lawyer.

## Fair Competition Laws

We believe in free and open competition, and comply with global fair competition laws. We do not seek to gain competitive advantages through unethical or illegal business practices, but rather through superior performance.

We do not enter into agreements with competitors to engage in any unlawful anti-competitive behavior, such as colluding on prices or dividing up markets.

#### Make sure you:

- ▶ Avoid and report activities that promote unfair competition. Fair competition laws are complex and compliance requirements can vary depending on the circumstances, but in general, the following activities are red flags that should be reported to the Legal Department:
  - ▶ **Collusion** — when companies secretly communicate or agree on how they will compete. This could include agreements or exchanges of information on pricing, terms, wages, or allocations of markets.
  - ▶ **Bid-rigging** — when competitors or service providers manipulate bidding so that fair competition is limited. This may include comparing bids, agreeing to refrain from bidding or knowingly submitting noncompetitive bids.
  - ▶ **Tying** — when a company with market power forces customers to take products or services that they do not want or need.
  - ▶ **Predatory pricing** — when a company with market power sells a product or service below cost so as to eliminate or harm a competitor, intending to recover the loss of revenue later by raising prices after the competitor has been eliminated or harmed.
- ▶ Never share the Company’s competitively sensitive information with a competitor of the Company without checking first with the Legal Department.
- ▶ Never share competitively sensitive information of business partners or other third parties with their competitors. Never take advantage of anyone through manipulation, abuse of privileged information, misrepresentation of facts, or any other intentionally unethical or illegal action.





### Watch out for:

- ▶ Temptations to engage in informal conversations with competitors about competitively sensitive information. A conversation may be a breach of fair competition law whether it is formal or informal.
- ▶ Use or dissemination of non-public information about competitors from new hires or candidates for employment.
- ▶ Conversations with competitors that could be perceived as limiting competition. If such a conversation begins, leave the meeting immediately and report it to the Legal Department.

### To learn more:

- ▶ Discuss any questions or concerns about fair competition laws and anti-competitive business practices with the Legal Department.

**question** I received sensitive pricing information from one of our competitors. What should I do?

You should contact the Legal Department without delay and before any further action is taken. It is important that from the moment we receive such information we demonstrate respect for fair competition laws and we make clear that we expect others to do the same. This requires appropriate action that can only be decided on a case-to-case basis and may include sending a letter to the competitor.

**question** I was asked to participate in an industry survey conducted by a third party, who will aggregate the results and distribute them to participants. This survey could provide valuable information as we shape our market strategy in certain product areas. May I share sensitive competitive information with the third party.

Sharing competitive information with a third party who will then aggregate the results to preserve confidentiality is likely lawful, since the data is shared in aggregate. You should check with your supervisor or the Legal Department before participating.

## Anti-corruption and Bribery

All countries prohibit the bribery of their own public officials and many also prohibit the bribery of officials of other countries. Our policy goes beyond these laws and prohibits improper payments in all of our activities, both with governmental entities and in the private sector.

We do not pay bribes or kickbacks at any time for any reason. This applies equally to any person or firm who represents Bio-Techne, such as our distributors. The only exception is if a person's physical safety is threatened.

### Key definitions - bribery, corruption and facilitation payments

Bribery means giving or receiving undue reward (or offering to do so) to influence the behavior of someone in government or business in order to obtain business or financial or commercial advantage.

Corruption is the abuse of an entrusted power for private gain.

Facilitation payments are typically small payments to a low-level government official that are intended to encourage the official to perform his responsibilities. Such payments are illegal under US law and the laws of many other countries, and are against our policy.

It is especially important that we carefully monitor third parties acting on our behalf. We must always be sure to perform due diligence and know our business partners, and all those through whom we conduct our business. We must know who they are and what they are doing on our behalf. Third parties must understand that they are required to operate in strict compliance with our standards and to maintain accurate records of all transactions.



## If You Are Ever Offered or Asked for a Bribe

If you are offered or asked for a bribe, no matter how small, you must refuse it and clearly state Bio-Techne's policy of never engaging in bribery or corruption. You should then immediately report the incident to the Compliance Officer.

Giving or accepting any form of bribe is serious misconduct, and will be treated as a disciplinary matter.

### Make sure you:

- ▶ Do not offer or accept bribes, kickbacks or any other improper payment, no matter how small;
- ▶ Keep accurate accounting records so that payments are honestly described and Company funds are not used for unlawful purposes; and
- ▶ Know who you are doing business with by following our third party due diligence procedures. Report any request for or offer of a bribe promptly to the Compliance Officer.

### Watch out for:

- ▶ Apparent violations of the Foreign Corrupt Practices Act (U.S. law) or anti-bribery laws of other countries by our business partners.
- ▶ Agents who do not wish to have all terms of their engagement with Bio-Techne clearly documented in writing.

### To learn more:

- ▶ Discuss any questions or concerns about anti-corruption and bribery with the Compliance Officer.
- ▶ Refer to the *Bio-Techne Global Anti-Corruption Policy* and related materials.

**question** I work with a distributor in Latin America. I suspect that some of the money we pay him goes toward making payments or bribes to government officials. What should I do?

This matter should be reported to the Legal Department or the Compliance Officer for investigation. If there is bribery and we fail to act, both you and Bio-Techne could be liable. While investigating these kinds of matters can be culturally difficult in some countries, any agent or representative doing business with a U.S. company should understand the necessity of these measures. It is important and appropriate to remind Bio-Techne distributors of this policy.

## Global Trade

We honor the trade and import and export control laws of all countries in which we operate. We expect all of our business partners to do the same.

At times, export control laws in certain regions may conflict. To avoid problems, consult the Legal Department or the International Trade Compliance Department as early as possible about local laws addressing the export of products, services and technology.

Many countries prohibit dealing with specific countries or persons acting on their behalf, as well as transactions involving certain named narcotics traffickers and terrorists. Consult the Legal Department or the International Trade Compliance Department if you have any questions or concerns.



## Boycotts

A boycott is an organized effort to coerce its target to take a specific action. Boycotts are enforced by refusing to buy, sell or use the target's products and/or services. As a U.S. company, we are subject to the anti-boycott provisions of U.S. law that require U.S. firms to refuse to participate in foreign boycotts that the United States does not sanction.

Bio-Techne and its employees will not participate in, and are required to promptly report to the U.S. Government, any request to join in, support, or furnish information concerning a non-U.S. boycott.

### Make sure you:

- ▶ Know your customer and the ultimate destination and end use of our products.
- ▶ Obtain all necessary licenses before the export or re-export of products, services, or technology.
- ▶ Report complete, accurate, and detailed information regarding every imported product, its places of manufacture and its full cost.

### Watch out for:

- ▶ Transferring technical data and technology to someone in another country, such as through the Internet, e-mail, conversations, meetings, and database access. This restriction applies to sharing information with other Company employees, as well as non-employees.
- ▶ Transporting Company assets that contain certain technology, such as files on a computer taken by an employee on a business trip to another country.

### To learn more:

- ▶ Discuss any questions or concerns about international export and import with the Legal Department or the International Trade Compliance Department.

**question** My work at Bio-Techne requires regular interaction with U.S. customs officials. As part of my job, I am routinely asked to provide the U.S. Customs Service with information about our imports and exports. Do I really need to contact the Legal Department prior to each and every submission of information to the government?

The right approach here would be to discuss with the Legal Department the types of requests your department routinely receives from U.S. Customs. These routine requests, once understood by the Legal Department, could be handled without any legal review. Extraordinary requests would still require Legal Department review to ensure that you are responding accurately, fully and in accordance with the law.

## Communicating with the Public

We are committed to honest, professional and legal communications to colleagues, business partners, and the public, while maintaining the company standards of integrity, objectivity and transparency. Bio-Techne needs a consistent voice when making disclosures or providing information publically. Therefore, it is important that only authorized persons speak on behalf of the Company.

Nothing in this Code restricts U.S. employees from engaging in activities that are protected under the federal labor laws, such as discussing their own wages or other terms of employment.

### Make sure you:

- ▶ Refer inquiries about our sales or financial results, or strategic plan to the Chief Executive Officer or the Chief Financial Officer.
- ▶ Always get prior approval from your supervisor before writing articles for professional journals or other public communication when you are speaking on behalf of the Company. Additional approvals from the

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Legal Department or senior management may also be required.

- ▶ Communications intended for cross-Company distribution require approval from Human Resources or senior management.
- ▶ Never give the impression that you are speaking on behalf of the Company in any personal communication, including user forums, blogs, chat rooms and bulletin boards, unless you are authorized to do so.

#### Watch out for:

- ▶ Any suggestion you speak for the Company in your personal communications, including in emails, blogs, message boards and social networking sites.
- ▶ Temptations to use your Company title or affiliation outside work for Bio-Techne – such as in charitable or community work – without making clear the fact that the use is for identification only and that you are not representing the Company.
- ▶ Invitations to speak “off the record” to reporters or others who ask you for information about the Company.

#### To learn more:

- ▶ Discuss any questions or concerns about communicating with the public with Human Resources or the Legal Department
- ▶ Refer to local employee handbook or policy for additional information.

### Using Social Media

Be careful when writing communications that might be published online. If you participate in online forums, blogs, newsgroups, chat rooms, or bulletin boards, never give the impression that you are speaking on behalf of Bio-Techne and before you hit the “post” button think carefully. Your posted words may last a very long time.

## Political Activities

You have the right to voluntarily participate in the political process including making personal political contributions. However, you must always make it clear that your personal views and actions are not those of the Company.

In addition, you must never use Bio-Techne funds, assets or resources to support any political candidate or party unless specifically permitted by law and authorized by the Chief Executive Officer.

#### Make sure you:

- ▶ Receive all necessary approvals before using any Company resources to support political activities.
- ▶ Ensure that your personal political views and activities are not viewed as those of the Company.
- ▶ Do not use Bio-Techne resources or facilities to support your personal political activities.

#### Watch out for:

- ▶ **Lobbying** - Interactions with government officials or regulators that could be seen as lobbying must be discussed in advance and coordinated with the Chief Executive Officer or the Legal Department.
- ▶ **Pressure** – Never apply direct or indirect pressure on another employee, customer or business partner to contribute to, support, or oppose any political candidate or party.
- ▶ **Improper influence** – Avoid even the appearance that you are making political or charitable contributions in order to gain favor or in an attempt to exert improper influence.
- ▶ **Conflicts of Interest** - Holding or campaigning for political office must not create, or appear to create, a conflict of interest with your duties.

#### To learn more:

- ▶ Discuss any questions or concerns about political contributions or political activities, with the Compliance Officer.





# Serving the Greater Good

## Supporting Our Communities

Bio-Techne and its employees contribute actively to the communities where we do business. While each of us is encouraged to become involved in the life of our community by supporting causes and events, it is important to remember that we should not pressure others to contribute to or participate in our preferred charitable organizations.

### Make sure you:

- ▶ Take community interests into account when making business decisions.
- ▶ Ensure that your personal support of charitable causes is not viewed as those of the Company.
- ▶ Follow the Company's policies and procedures for making and soliciting charitable contributions.

### Watch out for:

- ▶ Requests from business partners to give to charitable causes. These requests must be approved as part of the Company process, like all other charitable contributions. If a business partner asks you to contribute from your own funds, consult the Human Resources Department to make sure doing so will not give the appearance of a conflict.

### To learn more:

- ▶ Discuss any questions or concerns about charitable contributions and our work in the community with Human Resources.

Serving  
**THE GREATER GOOD**

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## Environmental Stewardship

Protection of the environment is a top priority for Bio-Techne. Bio-Techne has made a corporate commitment to proactive environmental preservation. As Bio-Techne employees, each of us has a responsibility to take steps to conserve the earth's resources and preserve the environment.

**question** I have been asked by a local non-profit organization whether Bio-Techne can donate a copy machine for their office. The organization does good work in the community and may even benefit associates and their families who live nearby. Can the Company make such donations?

Before any donations can be made, it must be clear that this will not in any way influence the recipient to provide the Company with an improper advantage. Then, the question is whether such donations are in line with the Company's general practice on charitable contributions. For this reason, you must obtain prior approval from Human Resources.

The logo for Bio-Techne, featuring the word "biotechne" in a bold, blue, sans-serif font. The letter "i" in "biotechne" has a small circle above it, resembling a stylized eye or a drop. A registered trademark symbol (®) is located at the top right of the word.



Note that nothing in this Code of Ethics and Business Conduct restricts U.S. employees from engaging in activities that are protected under the National Labor Relations Act or other similar laws and regulations, such as discussing their own wages or other terms of employment.

This Code of Ethics and Business Conduct does not constitute an expressed or implied contract or offer of employment. Any of its provisions may be changed or revoked without notice.









**biotechne®**



## CERTIFICATION

I, Charles R. Kummeth, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Bio-Techne Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2015

/s/ Charles R. Kummeth

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Charles R. Kummeth  
Principle Executive Officer

## CERTIFICATION

I, James Hippel, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Bio-Techne Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2015

/s/ James Hippel

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James Hippel  
Principle Financial Officer

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Bio-Techne Corporation (the "Company") on Form 10-Q for the quarter ended September 30, 2015 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Charles R. Kummeth, Principle Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15 (d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Charles R. Kummeth  
Principal Executive Officer  
November 9, 2015

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Bio-Techne Corporation (the "Company") on Form 10-Q for the quarter ended September 30, 2015 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, James Hippel, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15 (d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ James Hippel  
Principal Financial Officer  
November 9, 2015