

ZYNEX, INC.

CORPORATE GOVERNANCE GUIDELINES

The Board of Directors (the “Board”) of Zynex, Inc. (“Zynex” or the “Company”) has adopted the following Corporate Governance Guidelines (the “Guidelines”) to help it fulfill its responsibilities to the Company and its shareholders. The Guidelines should be applied in a manner consistent with all applicable laws and the Company's articles of incorporation and bylaws, each as amended and in effect from time to time. The Guidelines are intended to serve as a flexible framework for the conduct of the Board’s business and not as a set of legally binding obligations. The Board may modify or make exceptions to the Guidelines from time to time in its discretion and consistent with its duties and responsibilities to the Company and its shareholders.

A. Role of the Board

The Board oversees and reviews management activities and advises on long-term and strategic issues, all with a view to enhancing the long-term value of the Company to the shareholders. Among its many activities, the Board oversees the Company’s business affairs and integrity and assesses Company risks and strategies for risk mitigation. The Board is accountable to the shareholders of the Company, but recognizes that the long-term interests of shareholders are advanced by responsibly addressing the concerns of other stakeholders, including employees, consumers, customers, suppliers, government and the public. In all actions taken by the Board, the directors are expected to exercise their business judgment in what they reasonably believe to be in the best interests of the Company.

B. Composition of the Board

1) Board Membership Criteria

The Board is responsible for reviewing, on an annual basis, the appropriate skills and characteristics required of Board members in the context of the current make-up of the Board. This assessment may include issues of judgment, diversity, age, particular skills, business and industry experience, knowledge and experience in corporate governance, etc. -- all in the context of an assessment of the perceived needs of the Board at that point in time.

2) Independent Directors

A majority of the Company’s directors shall be independent. The Board applies the director independence standards included in the listing standards of the NASDAQ Stock Market (or any other listing requirements applicable to the Company from time to time) and the Securities and Exchange Commission to determine director independence.

3) Chair of the Board; Lead Independent Director

The Board does not have a policy as to whether the offices of Chair of the Board and Chief Executive Officer should be separate. In the event that the position of Chair of the Board

is held by the Chief Executive Officer, the independent directors shall, by vote of the majority of the independent directors, designate an independent director to serve as “Lead Independent Director”. The Lead Independent Director, if one is appointed, will have, among others, the following duties:

- advise the Chair as to an appropriate schedule of Board meetings, seeking to ensure that the independent directors can perform their duties responsibly while not interfering with the flow of Company operations;
- provide the Chair with input as to the preparation of the agendas for Board and Board committee meetings;
- advise the Chair as to the quality, quantity and timeliness of the flow of information from Company management that is necessary for the independent directors to effectively perform their duties, and although management is responsible for the preparation of materials for the Board, the Lead Independent Director may specifically request the inclusion of certain material;
- recommend to the Chair the retention of consultants who report directly to the Board;
- assist the Board and Company officers in assuring compliance with and implementation of the Company's governance guidelines and policies;
- coordinate, develop the agenda for and moderate executive sessions of the Board's independent directors;
- act as principal liaison between the independent directors and the Chair on sensitive issues;
- recommend to the Chair the membership of Board committees, as well as selection of the committee chairs; and
- oversee an annual self evaluation of the Board of its performance and the performance of Company directors as well as the self evaluation of each of the Board's formal committees.

C. Board Committees

1) Number and Type of Committees

The Board currently has one standing committee, the Audit Committee. The Board may, from time to time, form a new committee or disband a current committee depending on the circumstances. Each committee complies or will comply with the independence and other requirements established by applicable law, regulations and listing requirements applicable to the Company from time to time.

2) Committee Charters

Each committee has a charter that is approved by the Board. Each committee will undertake an annual review of its charter, and will work with the Board to make such revisions as are considered appropriate.

3) Composition of Committees

The Lead Independent Director is responsible for recommending to the Board the directors to be appointed to each Board committee and the committee member to be appointed as the chair of each committee. The Board shall appoint committee members and committee chairs according to criteria that it determines to be in the best interest of the Company and its shareholders.

D. Board and Committee Meetings

1) Selection of Agenda Items for Board and Committee Meetings

The Chair of the Board or the chair of a Board committee, as applicable, will establish the agenda for each Board or committee meeting. Each Board and committee member, as applicable, is free to suggest the inclusion of item(s) on the respective agenda. If the Chair of the Board and the Chief Executive Officer are the same person, the Lead Independent Director will be consulted on the preparation of the agenda for each Board meeting.

2) Meeting Materials Distributed in Advance

The meeting agenda and written materials relevant to the Board's or a committee's understanding of matters to be discussed at an upcoming Board or committee meeting shall be distributed to directors in advance, whenever feasible and appropriate. Each director should review such materials prior to the meeting to facilitate the efficient use of meeting time. Any materials not available in advance shall be provided to each director at the meeting. When appropriate, sensitive subjects may be discussed at a meeting without distribution of materials to the directors.

3) Executive Sessions of Independent Directors

The independent directors of the Company shall periodically meet in executive session.

E. Performance Evaluations

1) Chief Executive Officer

Unless and until the Company establishes a Compensation Committee, the independent directors shall meet in executive session on an annual basis to evaluate the performance of the Company's Chief Executive Officer and to determine the Chief Executive Officer's compensation.

2) Board, Committees and Directors

The Lead Independent Director is responsible for establishing and overseeing a process for annual self-evaluations of the performance of the Board and each committee. The Lead Independent Director may consult with outside counsel with respect to such self-evaluations, as appropriate.

F. Other

1) Basic Responsibilities

The basic responsibility of the directors is to exercise their business judgment in good faith to act in what they reasonably believe to be in the best interests of the Company's stockholders and other key constituencies. In discharging that obligation, directors should be entitled to rely on the honesty and integrity of their fellow directors and the Company's senior executives and outside advisors and auditors. The directors shall also be entitled to have the Company purchase reasonable directors' and officers' liability insurance on their behalf, to the benefits of indemnification to the fullest extent permitted by law and the Company's certificate of incorporation, bylaws and any indemnification agreements, and to exculpation as provided by state law and the Company's certificate of incorporation.

2) Access to Advisors

The Board and each committee have the authority to hire, at the expense of the Company, independent legal, financial or other advisors as they may deem necessary, without consulting or obtaining the approval of any officer of the Company in advance.

3) Periodic Review of Guidelines

These Guidelines shall be reviewed periodically by the Board.