

**ZYNEX, INC.**  
**AMENDED AND RESTATED**  
**AUDIT COMMITTEE CHARTER**  
**(AUGUST 2012)**

*Organization*

This charter governs the operation of the Audit Committee (the "Committee") of the Board of Directors of Zynex, Inc. (the "Company"). The Committee shall review and reassess the adequacy of the charter at least annually, recommend any proposed changes for approval by the Board of Directors, and oversee updates to the charter as applicable laws, regulations, accounting or auditing standards change. The Committee shall be appointed by the Board and shall make regular reports to the Board. The Committee shall be comprised of at least two directors, each of whom shall meet the applicable independence and experience requirements of the NASDAQ Stock Market and the Securities and Exchange Commission.

*Responsibilities and Processes*

The primary responsibility of the Committee is to oversee the Company's financial reporting processes on behalf of the Board and report the results of its activities to the Board. Management is responsible for preparing the Company's financial statements, and the independent auditors are responsible for auditing those financial statements. The Committee, in carrying out its oversight responsibilities, will assess the Company's systems of internal accounting and financial controls, any internal audit process, the independence, qualifications and performance of the Company's independent auditors, and the overall integrity of the Company's financial statements and information systems. The Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities, and personnel of the Company. In addition, the Committee will have the power to review and approve "related party transactions", in accordance with the requirements of the NASDAQ Stock Market, the Securities and Exchange Commission, or other applicable regulatory agencies. The Committee may also have such other duties as may, from time to time, be assigned to it by the Board.

The Committee shall have the authority, to the extent it deems necessary or appropriate to carry out its duties, to retain special legal, accounting or other consultants to advise the Committee. The Company must provide appropriate funding, as determined by the Committee, for payment for the services of such advisors, as well as for the ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties. The Committee may also form and delegate authority to subcommittees to undertake its responsibilities, under its supervision.

The Committee shall meet as often as it determines, but not less frequently than quarterly. The Committee shall meet with the independent auditors in separate executive sessions at least annually and more frequently as the Committee shall determine.

The following shall be the principal recurring processes of the Committee in carrying out its oversight responsibilities. The processes are set forth as a guide with the understanding that the Committee may modify them, as it deems appropriate.

### *Financial Statement and Disclosure Matters*

- Review with management and the independent auditors the annual audited financial statements to be included in the Company's Annual Report on Form 10-K. Based on these reviews, the Committee shall report to the Board whether the Committee recommends inclusion of the annual audited financial statements in the Company's Form 10-K.
- Review with management and the independent auditors the interim financial statements to be included in the Company's Quarterly Report on Form 10-Q. The Committee shall discuss with the independent auditors the results of its review of each interim financial statement for a quarter.
- Discuss with management and the independent auditors significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including the effect of alternative acceptable accounting policies on the Company's financial statements.
- Prepare the report required by the rules of the Securities and Exchange Commission to be included in the Company's proxy statement for any annual meeting.
- Discuss with management and the independent auditors the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.
- Discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.
- Discuss with management and the independent auditors each earnings release (particularly the use of any non-GAAP financial information in such earning release), and any press release or other communication containing financial information or earnings guidance provided to shareholders, investors, analysts and rating agencies, prior to the Company's issuance of such press releases or communication.

### *Oversight of the Company's Relationship with the Independent Auditors*

- Be directly responsible for the appointment, compensation, retention, termination and oversight of the work of the independent auditors engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company (including the resolution of disagreements between management and the independent auditors regarding financial reporting). The independent auditors must report directly to the Committee.

- Obtain and review a report from the independent auditors at least annually regarding (a) the auditors' internal quality-control procedures, (b) any material issues raised by the most recent quality-control review of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm, (c) any steps taken to deal with any such issues, and (d) all relationships between the independent auditors and the Company, including those consistent with Independence Standards Board Standard 1. The Committee shall evaluate the experience, qualifications, performance and independence of the independent auditors, including considering whether the provision of non-audit services is compatible with maintaining the auditors' independence, and taking into account the opinions of management. The Committee shall present its conclusions to the Board and, if so determined by the Committee, recommend that the Board take additional action to satisfy itself of the qualifications, performance and independence of the auditors. As part of these matters, the Committee shall be responsible for actively engaging in a dialogue with the auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the auditors and for taking, or recommending that the full Board take, appropriate action to oversee the independence of the independent auditors.
- Discuss with the independent auditors the overall scope and plans for its audit. Also, discuss with management and the independent auditors the adequacy and effectiveness of the Company's accounting and financial controls. Meet separately with the independent auditors on at least an annual basis, with and without management present, to discuss the results of the audit and any other examinations.
- Discuss the matters required to be communicated to the Committee by the independent auditors under generally accepted auditing standards.
- Review and pre-approve all audit engagement fees and terms and all non-audit services with the independent auditors. The Committee shall consult with management but shall not delegate these responsibilities to management.
- Review any proposed employment offer by the Company to an employee or former employee of the independent auditors and discuss with the management the actions intended to be taken by management and the independent auditors to ensure that the auditors maintain independence.

#### *Compliance Oversight Responsibilities*

- Obtain from the independent auditors assurance that Section 10A of the Securities Exchange Act of 1934, in regard to the occurrence of illegal acts, has not been implicated.
- Discuss with management and the independent auditors any correspondence with regulators or governmental agencies and any employee complaints or published

reports which raise material issues regarding the Company's financial statements or accounting policies.

- Review the findings, to the extent available, of any investigation of the Company or its operations conducted by any state, federal or other agency or entity.
- Discuss with the Company's counsel legal matters that may have a material impact on the financial statements or the Company's compliance policies.
- Approve or reject all "related party" transactions. Review reports and disclosures of related party transactions prepared by management.

#### *Oversight of the Company's Internal Audit Function*

- Discuss with management and the independent auditors the quality and adequacy of the Company's internal controls and any internal audit functions' organization, responsibilities, plans, results, budget and staffing, as well as providing oversight to internal audit activities, including review of significant reports prepared by the employees performing internal audit functions and management's responses.

#### *Whistleblower Policy*

- Establish and oversee the Company's anonymous complaint policy contained within the Company's Code of Business Conduct and Ethics regarding the confidential, anonymous submission by employees of reports regarding questionable accounting practices, internal accounting controls or auditing matters and the investigation, disposition and retention of such reports.

#### *Code of Business Conduct and Ethics and Securities Trading and Information Disclosure Policy*

- Direct the Company to circulate, at least annually, a reminder to all employees of the Company explaining that each employee is required to comply with the Company's Code of Business Conduct and Ethics and Securities Trading and Information Disclosure Policy. The reminder should include information regarding how to access the Code of Business Conduct and Ethics and Securities Trading and Information Disclosure Policy.
- Review on an annual basis a list of transactions in the Company's stock that were initiated by Access Personnel (as defined in the Securities Trading and Information Disclosure Policy) and came to the attention of the Chief Compliance Officer pursuant to the Securities Trading and Information Disclosure Policy. The Chief Compliance Officer will provide such list to the Committee.

#### *Limitation of Audit Committee's Role*

- While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and

are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the independent auditors. It is not the duty of the Committee to conduct investigations or to assure Company's compliance with laws and regulations.