

NEUROMETRIX, INC.

Audit Committee Charter

I. General Statement of Purpose

The Audit Committee (the “Committee”) assists the Board of Directors (the “Board”) of NeuroMetrix, Inc. (the “Company”) in overseeing the operation of a comprehensive system of internal controls covering the integrity of the Company’s financial statements and reports, compliance with laws, regulations and corporate policies, and the qualifications, performance and independence of the Company’s registered public accounting firm (the “Independent Auditor”). The Committee acts on behalf of the Board in monitoring and overseeing the Independent Auditor. The Committee meets as often as it deems necessary to perform its responsibilities.

II. Committee Membership

The Committee will comprise three or more directors as determined by the Board. The Committee will meet the independence, financial literacy and experience requirements of the NASDAQ Marketplace Rules and the Securities and Exchange Commission (the “SEC”). At least one member of the Committee will be an “audit committee financial expert” as defined by SEC rules. The members and chair of the Committee shall be appointed and replaced by the Board on the recommendation of the Nominating and Corporate Governance Committee.

III. Committee Authority and Responsibilities

In carrying out its oversight responsibility, the Committee will:

- Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Nominating and Corporate Governance Committee for consideration and recommendation to the Board for approval, and perform an annual evaluation of the Committee’s performance.
- Have the direct responsibility for the appointment, compensation, retention, evaluation and oversight of the work of the independent auditor, and the sole authority to establish pre-approval policies and procedures for audit engagements, whether provided by the principal auditor or other firms, and non-audit engagements with the Independent Auditor. The Independent Auditor will report directly to the Committee. The Committee will be responsible for resolution of disagreements between management and the Independent Auditor regarding financial reporting.
- Obtain and review the required report from the Independent Auditor at least annually regarding its independence (including all relationships between the Independent Auditor and the Company), the Independent Auditor’s quality control procedures, any material issues raised by the most recent internal quality-control review, or peer 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, and any step taken to deal with any such issues, and accounting principles and policies. The Committee actively engages in a dialogue with the Independent Auditor with respect to any disclosed relationships or services that may impair the objectivity and independence of the Independent Auditor. The Committee will review with the Independent Auditor any audit problems or difficulties and management's response. The Committee will set policies as appropriate for the Company's employment of employees or former employees of the Independent Auditor.

- Review significant findings and recommendations of regulatory reports of examination, Independent Auditor management letters, any other reports required by SEC rules to be made by the Independent Auditor or management reports and management's responses thereto.
- Meet to review and discuss with management and the Independent Auditor the annual audited financial statements and quarterly financial statements, including Management's Discussion and Analysis of Financial Condition and Results of Operations. Discuss the earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies. Review and discuss major issues regarding accounting principles and financial statement presentations; analyses prepared by management and/or the Independent Auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements; and the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company. Meet to review and discuss in a separate private session with the Independent Auditor on a quarterly basis, and in separate private sessions with management as needed, the accounting policies, financial controls and any other matters that the Committee or any of the foregoing parties believe should be discussed.
- Review and discuss with management and the Independent Auditor management's report on internal control over financial reporting and the Independent Auditor's attestation of such report, if required by applicable rules.
- Establish procedures for the receipt, retention, and treatment of complaints regarding accounting, internal accounting controls or auditing matters, as well as for confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
- Review and discuss the following with appropriate representatives of management:
 - Material contingent liabilities and pending litigation
- Investigate other matters that are brought to the attention of the Committee within the scope of its mission. In performing its duties, the Committee may independently retain outside legal, accounting or other advisors, and the Company will provide appropriate funding, as determined by the Committee, for the payment of (i) compensation of the Independent Auditor, (ii) compensation of any adviser employed by the Committee, and

(iii) ordinary administrative expenses of the Committee necessary or appropriate in carrying out its duties.

- Provide appropriate regular reports to the Board.
- The Committee shall have such other duties as may be delegated from time to time by the Board.

IV. Other Matters

The Committee will also prepare a report each year consistent with the requirements of the SEC for inclusion in the Company's proxy statement. In this report, the Committee will provide information on its review of the Company's audited financial statements and its related discussions with management. The report will also provide information on the Committee's review of disclosures received from the Company's auditors relative to the independence of the auditors, and on whether the Committee recommends to the Board that the audited financial statements be included in the Corporation's Annual Report on Form 10-K.

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, to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles, or to certify that the Company's internal controls over financial reporting are effective. This is the responsibility of management and the Independent Auditor. Nor is it the duty of the Committee to guarantee the Independent Auditor's reports or to assure compliance with laws and regulations or the Company's Code of Business Conduct and Ethics.