



AUDIT COMMITTEE CHARTER

I. PURPOSE

The purpose of the Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Pulse Biosciences, Inc. (the “**Company**”) will be to oversee the accounting and financial reporting processes of the Company and the audits of the financial statements of the Company. The Committee’s principal functions are to:

1. review and monitor the corporate financial reporting and the external audit of the Company,
2. provide to the Board the results of its observations and recommendations derived therefrom,
3. outline to the Board improvements made, or to be made, in internal accounting controls,
4. select and supervise independent auditors,
5. prepare the Committee report required by the Securities and Exchange Commission (the “**SEC**”) rules to be included in the Company’s proxy statement for the annual meeting of stockholders; and
6. provide to the Board such additional information and materials as it may deem necessary to make the Board aware of significant financial, reporting and compliance matters that require Board attention.

In furtherance of these purposes, the Committee will undertake those specific duties and responsibilities listed below and such other duties as the Board from time to time prescribes. These duties and responsibilities will be reviewed periodically by the Committee and updated as the Committee determines appropriate.

The Committee’s role is one of oversight. It is not the duty of the Committee to plan or conduct audits, prepare or certify the Company’s financial statements, determine that the Company’s financial statements are complete and accurate and are in accordance with generally accepted accounting principles (“**GAAP**”) nor certify that the independent auditor is “independent” under applicable rules. These are the fundamental responsibilities of management and the independent auditors. The Audit Committee relies on the expertise and knowledge of management and the independent registered accounting firm in carrying out its oversight responsibilities. The Company’s management is responsible for preparing the Company’s financial statements and for establishing and maintaining appropriate accounting principles and financial reporting policies and satisfactory internal control over financial reporting. The Company’s independent auditor is responsible for auditing the Company’s annual consolidated financial statements. In exercising its business judgment, the Committee relies on the information and advice provided by the Company’s management and the independent auditor.

Committee members are not necessarily accounting experts and provide no expert or professional assurances. Committee members are not deemed to have accepted a duty of care greater than the duty of other directors. Nothing contained in this Charter is intended to alter the operation of the “business judgment rule” as interpreted under Delaware law.

II. MEMBERSHIP

The Committee members shall be appointed by, and shall serve at the discretion of, the Board. The Committee shall be comprised of at least three (3) independent members of the Board who shall serve until their resignation, retirement or removal by the Board or until their successors are duly elected. The Board may designate one (1) member of the Committee to serve as chair.

Members of the Committee must meet the following criteria (as well as any other criteria required by the SEC):

- Each member must be an independent director in accordance with (i) the audit committee requirements of The Nasdaq Stock Market, Inc. Marketplace Rules (the “**Nasdaq Rules**”) and (ii) Rule 10A-3 of the Securities Exchange Act of 1934, as amended;
- Each member must be financially literate and able to read and understand fundamental financial statements, including the Company’s balance sheet, income statement, and cash flow statement, as determined by the Board in accordance with the Nasdaq Rules;
- At least one member must have past employment experience in finance or accounting, requisite professional certification in accounting, or other comparable experience or background resulting in such member’s financial sophistication, including a current or past position as a principal financial officer or other senior officer with financial oversight responsibilities;
- At least one member must be an “audit committee financial expert” as defined in Item 407(d)(5)(ii) of Regulation S-K promulgated under the Securities Act of 1933; and
- No member shall have participated in the preparation of the financial statements of the Company or any subsidiary of the Company during the past three (3) years.

III. AUTHORITY

In discharging its oversight responsibilities, the Committee may conduct or authorize investigations into, or studies of, any matters of interest or concern that the Committee or Board deem appropriate. In connection with this responsibility, the Committee shall have unrestricted access to the Company’s facilities, personnel, documents, books and records.

The Committee may form and delegate authority to subcommittees and Chairperson of the Committee when it deems appropriate and in the best interests of the Company and when such delegation would not violate applicable law, regulation or Nasdaq or SEC requirements.

The Committee shall have the authority to engage, oversee and terminate outside counsel, accountants or other consultants or advisors, as it determines necessary to carry out its duties. The Committee shall have sole authority to approve related fees and retention terms, and the Company shall provide the Committee with adequate funding to allow the Committee to perform its duties under this Charter.

IV. RESPONSIBILITIES AND DUTIES

The overall responsibilities and duties of the Committee shall include the domains and specific duties listed below. The Committee shall provide a report to the Board on a regular basis and make such recommendations with respect to any of the follow and other matters as the Committee deems necessary or appropriate. Notwithstanding the following, the Committee shall also perform such oversight functions and other responsibilities reasonably related to the responsibilities specified below or otherwise delegated to the Committee by the Board.

A. Financial Reporting. The Committee will meet with management and the Company's independent auditor to review and discuss the Company's internal controls and the integrity of the Company's audited financial statements. Included in this process will be review of:

1. In consultation with management and the independent auditor, review the scope and timing of the annual audit of the Company's financial statements, the adequacy of the Company's financial reporting process, the system of internal control over financial reporting, any significant deficiencies or material weaknesses in the design or operation of, and any material changes in, the Company's internal controls, and any special audit steps adopted in light of material control deficiencies.
2. Conduct a post-audit review of the financial statements and audit findings, including any significant suggestions for improvements or other reports provided to management or the Committee by the independent auditors and any responses to the same by management, and any significant difficulties encountered during the course of the audit.
3. Review any significant disagreement among management and the independent auditors in connection with the preparation of the financial statements.
4. Review and discuss with management and the independent auditor, before release, the Company's annual audited and quarterly unaudited financial statements and annual and quarterly reports on Form 10-K and Form 10-Q. The Committee will make a recommendation to the Board as to whether the audited financial statements should be included in the Company's Form 10-K for filing with the SEC.
5. Review the Company's quarterly and annual earnings releases.
6. Discuss financial information and earnings guidance provided to analysts and/or ratings agencies. Such discussions may be in general terms (i.e., discussion of the types of information to be disclosed and the type of presentations to be made).
7. Review management's report on the effectiveness of internal control over financial reporting as of the end of each fiscal year.
8. Review with the independent auditors and management the extent to which changes or improvements in financial or accounting practices and internal controls, as approved by the Committee, have been implemented.
9. Discuss with management and the independent auditors any changes in internal control over financial reporting, as well as the quarterly assessments of such controls and procedures by the Chief Executive Officer and Chief Financial Officer.
10. Prepare the report of the Committee for inclusion in the Company's annual proxy statement.

11. Review the independent auditors' judgment about the quality and appropriateness of accounting principles as applied in financial reporting, including any major issues regarding accounting principles and financial statement presentations, and consider significant changes to auditing and accounting principles and practices as suggested by the independent auditors or management.
12. Review, in conjunction with counsel, any legal, regulatory, or compliance matters that could have a significant impact on the Company's financial statements.
13. Review the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company.
14. Review any analyses prepared by management or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements.

B. Independent Auditors

1. Appoint and Oversee Independent Auditor; Approve Audit and Non-Audit Services. The Committee will be directly responsible for selecting and retaining an independent registered public accounting firm to act as the Company's independent auditors for the purpose of auditing the Company's financial statements, books, records, accounts and internal control over financial reporting. Each such independent registered public accounting firm will report directly to the Committee, and the Committee will be responsible for the resolution of any disagreements that may arise between management and each registered public accounting firm. In particular, the Committee will:
 - (a) Have the sole authority to review and approve the selection, compensation and replacement of any independent auditors engaged by the Company for the purpose of preparing or issuing an audit report or perform other audit, review, or attest services for the Company;
 - (b) At least annually, receive an audit engagement letter and either execute it on behalf of the Company or, if the Committee or its chairperson are not appropriate parties to sign the letter, acknowledge the letter and agree to the terms of engagement;
 - (c) Review and approve the provision by the independent auditors of all auditing services and any non-audit services and oversee compliance with the requirements of the SEC for independent auditors' services and review and discuss with the independent auditors all significant relationships that the auditors and their affiliates have with the Company and its affiliates that may impact the auditors' independence; and to the extent there are such relationships, monitor and investigate them.
 - (d) Establish policies for the pre-approval of audit services, audit-related services, including internal control-related services, and permitted non-audit services to be performed for the Company by its independent auditors and pre-approve such services as required by such policies, except where pre-approval is not required because such non-audit services are de minimis under the rules of the SEC, in which case subsequent approval may be obtained. The Audit Committee may delegate to one or more designated members of the Audit Committee the authority to pre-approve audit and permissible non-audit services, provided such pre-approval decision is presented to the full Audit Committee at its scheduled meetings.

2. Evaluate the Independence and Qualifications of the Independent Auditor. The Committee must ensure the independence of the independent auditor. The Committee will, at least annually, obtain and review a written report by the Company's independent auditor describing:
 - (a) the independent auditor's internal quality control procedures;
 - (b) any material issues raised by the most recent internal quality control review, or peer review, of the independent auditor, 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 independent auditor, and any steps taken to deal with any such issues; and
 - (c) all relationships between the independent auditor and the Company, in order to assess the independent auditor's independence.

The Committee will discuss with the independent auditor the written report and any relationships or services that may impact the objectivity and independence of the auditors. The Committee will also review the performance of the independent auditors, including the review and evaluation of the lead partner of the independent auditor. The Committee will assure the regular rotation of the lead audit partner every five years.

3. Communicate with the Independent Auditor. The Committee will discuss with independent auditors the matters required to be discussed by the Statement on Auditing Standards No. 61, as amended (AICPA, Professional Standards, Vol. 1. AU Section 380), as adopted by the Public Company Accounting Oversight Board.

C. Other

1. Related Party Transactions; Conflicts of Interest. The Committee will review, approve and monitor related party transactions involving directors or executive officers and review and monitor conflicts of interest situations involving such individuals where appropriate.
2. Risk Management; Investment Policy. Providing oversight and review at least annually of the Company's risk management policies, including its investment policies.
3. Code of Business Conduct. Reviewing and approving the Company's code of business conduct and monitoring compliance therewith.
4. Foreign Corrupt Practices Act. The Committee will review management's monitoring of compliance with the Foreign Corrupt Practices Act.
5. Complaint Procedures. The Committee will adopt procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters or possible violations of the federal securities laws or the rules or regulations promulgated thereunder and for the confidential, anonymous submission by employees of the Company of concerns regarding such matters.
6. Authority to Retain Advisors. The Committee is authorized to engage independent legal, accounting and other advisers as it determines necessary or appropriate to carry out its duties.

V. MEETINGS

The Committee shall meet as often as may be deemed necessary or appropriate, in its judgment, in order to fulfill its responsibilities, but at least once each fiscal quarter. Meetings may be called by any Committee member or by Company management upon due notice to each member of the Committee at least 48 hours prior to the meeting, unless waived in writing. A majority of the total number of members of the Committee will constitute a quorum for all Committee meetings, and a quorum can act on behalf of the Committee. The Committee may meet in person or telephonically. The Committee may also take action and make recommendations by written, emailed, or electronically delivered consent of all the members of the Committee in lieu of a meeting.

The Committee may request that any directors, officers or employees of the Company, or other persons whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide information that the Committee requests. However, the Committee shall also meet regularly in executive session without the officers or other employees of the Company present.

The Committee will meet separately with the members of management and the Company's independent auditors at such times as the Committee deems appropriate, but not less than once each fiscal quarter. Periodically, the Committee will also meet separately with (a) management and (b) the Company's independent auditors (with and without management present), in each case to discuss any matters that the Committee or the others believe should be discussed privately. In the case of such meetings with the Company's independent auditors, the Committee will discuss with the independent auditors, among other things, the results of the independent auditors' examinations and any other matters required to be communicated to the Committee by the independent auditors under GAAP.

VI. MINUTES

The Committee shall maintain written minutes of its meetings and actions by unanimous written consent, which will be filed with the minutes of the meetings of the Board.

VII. REPORTS

The Committee shall make regular reports to the full Board on the actions and recommendations of the Committee.

VIII. CHARTER REVIEW

The Committee shall review and reassess the adequacy of this Charter annually and recommend to the Board any changes the Committee determines are appropriate.

IX. COMPENSATION

Members of the Committee shall receive such fees, if any, for their service as Committee members as may be determined by the Board in its sole discretion. Special compensation given to a non-employee director for service on the Committee shall not disqualify him or her from serving on the Committee.

X. FUNDING

The Company must provide appropriate funding, as determined by the Committee, for the payment of:

- compensation to any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company;
- compensation to any advisers engaged by the Committee; and
- ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.