

**COGENTIX MEDICAL, INC.**  
**AUDIT COMMITTEE CHARTER**

**I. PURPOSE**

The primary function of the Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Cogentix Medical, Inc. (the “**Company**”) is to assist the Board in fulfilling its oversight responsibilities by overseeing and monitoring:

- (i) the integrity of the financial statements of the Company;
- (ii) the Company’s compliance with legal and regulatory requirements related to the financial statements, including the Company’s systems of internal controls regarding finance, accounting, legal compliance and ethics that have been established relating to such financial statements; and
- (iii) the qualifications, independence and performance of the Company’s internal auditors, to the extent that such function is established at the Company (the “**Internal Auditors**”), and external auditors (the “**Independent Auditors**”).

Consistent with this function, the Committee should encourage continuous improvement of, and should foster adherence to, the Company’s policies, procedures and practices at all levels. The Committee shall work with the Board to take the appropriate actions to set the overall corporate “tone” for quality financial reporting, sound business risk practices and ethical behavior. The Committee’s primary duties and responsibilities are further described in Section IV of this Charter.

The Committee’s duties and responsibilities are principally of an oversight nature. The management of the Company is responsible for the preparation, presentation and integrity of the Company’s financial statements. Management is responsible for maintaining appropriate accounting and financial reporting principles and policies and internal controls and procedures designed to assure compliance with accounting standards and applicable law, rules and regulations. The Independent Auditors are responsible for planning and carrying out a proper audit of the Company’s annual financial statements, reviewing the Company’s quarterly financial statements, auditing annually management’s assessment of the effectiveness of internal control over financial reporting, as required by the rules of the Securities and Exchange Commission (“**SEC**”), and other procedures. In fulfilling their responsibilities hereunder, it is recognized that the members of the Committee are not full-time employees of the Company and are not, and do not represent themselves to be, performing the functions of auditors or accountants. In addition, it is not the duty of the Committee to conduct investigations or to ensure compliance with laws and regulations.

**II. MEMBERSHIP**

The Committee shall consist of three (3) members of the Board, each of whom shall be a non-executive director who is free from any relationship that in the opinion of the Board would interfere with the exercise of his or her independent judgment as a member of the Committee. Each Committee member also shall satisfy the independence, financial literacy and other

requirements of all applicable rules and regulations of the SEC, The NASDAQ Stock Market (“NASDAQ”) or any other applicable governing bodies (the “**Governing Bodies**”). At least one member of the Committee will be an “audit committee financial expert” within the meaning of applicable rules of the SEC and have past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual’s financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities, in accordance with the Listing Rules of NASDAQ. Committee members should not simultaneously serve on the audit committees of more than three other public companies, unless the Board specifically determines that it would not impair the ability of the Committee member to effectively serve the Company.

The chair of the Committee (“**Chair**”) shall be appointed by the Board and shall have accounting or related financial management expertise as required by the Governing Bodies. All other members of the Committee also shall be elected by the Board following the annual meeting of stockholders, and all members of the Committee shall serve until their successors shall be duly elected and qualified or until their earlier death, resignation or removal, all in accordance with and subject to the Company’s bylaws.

### III. COMMITTEE RULES OF PROCEDURE

A majority of the Committee shall constitute a quorum for meetings; provided, however, that the Committee also may act upon unanimous written consent. The Committee shall meet at least four (4) times annually, or more frequently as circumstances dictate. The Committee may invite to any of its meetings other directors, management and such other persons as it deems appropriate in order to carry out its responsibilities.

As part of its job to foster open communication, the Committee shall meet at least annually with management, the Internal Auditors, if any, and the Independent Auditors in separate executive sessions to discuss any matters that the Committee or each of these groups believe should be discussed privately. The Committee or the Chair shall meet with the Independent Auditors and management on a quarterly basis to consider both the Company’s financial statements and any significant findings arising out of the Independent Auditors’ review.

Minutes of each meeting will be prepared and sent to the members of the Committee for approval, and then filed in the minute books of the Company. The minutes of each meeting shall be made available to the Board and the Independent Auditors upon request. The Committee shall make regular reports to the Board of any significant actions taken or issues discussed.

Subject to, and consistent with, the bylaws of the Company, the Committee shall, in its discretion, have the authority to:

- (i) establish its own rules and procedures for notice and conduct of its meetings;
- (ii) retain, at the Company’s expense, independent legal counsel and other advisors it determines are necessary to carry out its duties;

- (iii) conduct any investigation it deems necessary in fulfilling its duties and responsibilities; and
- (iv) fully access the books, records and personnel of the Company as it deems necessary.

#### IV. AUTHORITY AND RESPONSIBILITIES OF THE COMMITTEE

To fulfill its responsibilities and duties, the Committee shall:

(a) Documents/Reports Review

1. Review and discuss with management the Company's annual audited financial statements, including significant issues regarding accounting and auditing principles and practices as well as the adequacy of internal controls that could significantly affect the Company's financial statements.
2. Review and discuss with management and the Independent Auditors the Company's quarterly and annual financial statements and the disclosures made with regards thereto, (including, as applicable, the reports, opinions, reviews and/or certifications of the Independent Auditors) prior to the:
  - (i) filing of each of its Quarterly Reports on Form 10-Q ("**Form 10-Q**");
  - (ii) filing of each of its Annual Reports on Form 10-K ("**Form 10-K**"); and
  - (iii) release of any earnings press release.
3. Prior to the filing of the Form 10-K, recommend to the Board the inclusion of the audited financial statements in the Form 10-K.
4. Oversee compliance with the disclosure requirements of the SEC regarding auditors' services and audit committee members, member qualifications and activities.
5. Prepare any report required to be prepared by the Committee for inclusion in the Company's proxy statement under applicable SEC rules and regulations.

(b) Engagement and Oversight of Independent Auditors

1. Appoint, compensate, retain and oversee auditing services to be performed for the Company by the Independent Auditors, considering both independence and effectiveness. The Independent Auditors shall report directly to the Committee and the Committee shall oversee the resolution

of disagreements, if any, between management and the Independent Auditors regarding financial reporting. The Committee shall have the authority to terminate or discharge the Independent Auditors.

2. Pre-approve (which may be pursuant to pre-approval policies and procedures) all auditing services and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by its Independent Auditors, with particular consideration given to the compatibility of such services with the Independent Auditors' independence.
3. Obtain a written report from the Independent Auditors at least annually, that will permit the Committee to consider in requisite detail:
  - (i) the Independent Auditors' internal quality control procedures;
  - (ii) any material issues raised by the most recent quality-control review or the Public Company Accounting Oversight Board review of the Independent Auditors, or by any inquiry or investigation by governmental or professional authorities within the preceding five (5) years respecting one or more independent audits carried out by the Independent Auditors;
  - (iii) any factors that impact the objectivity or independence of the Independent Auditors, including any significant relationships between the Independent Auditors and the Company (other than their engagement to perform auditing services); and
  - (iv) any steps taken to address any such issues.
4. Following completion of the annual audit, review the performance of the Independent Auditors with both management and the Independent Auditors.
5. Review the audit plan and the audit approach of the Independent Auditors for the next scheduled audit. Prior to the issuance of the annual audited financial statements, discuss the results of the audit with management and the Independent Auditors.
6. Meet with the Independent Auditors separately and privately to hear their views on:
  - (i) the quality and consistency of both the Company's accounting policies and their underlying judgments and practices;
  - (ii) the internal controls on the Company's financial reporting;
  - (iii) the availability of alternative accounting treatments;

- (iv) any material written communications between management and the Independent Auditors;
  - (v) any disagreements with management regarding financial reporting or significant difficulties encountered during the course of the audit or review; and
  - (vi) any restrictions on the scope of work or access to required information during the most recent audit.
7. Conduct an annual evaluation of the Independent Auditors' objectivity, qualifications, performance and independence after overseeing their work throughout the audit period and reviewing their written reports.
  8. Confirm the rotation of the lead audit partner and concurring partner every five years and any other active audit engagement team partner every seven years, or such other time periods as required by applicable law, rules and regulations, and consider whether there should be a regular rotation of the audit firm itself in order to ensure continuing auditor independence.
  9. Establish hiring policies regarding employment of employees, or former employees, of the Independent Auditors.

(c) Internal Auditors

To the extent the Internal Audit function is established at the Company:

1. Review on an annual basis the management's overall management of the day-to-day operations of any internal audit function.
2. Review and approve the scope and staffing of the Internal Audit plan.
3. Review the results of any significant audits conducted by any Internal Auditors.
4. Oversee the resolution of any significant difficulties or disagreements between management and the Internal Auditors regarding financial reporting or any scope restrictions encountered in the course of work conducted by the Internal Auditors.

(d) Financial Reporting Process

1. Review with management, the Independent Auditors and the Internal Auditors, if any, the quality, integrity and consistency of the judgments and appropriateness of the accounting principles and financial reporting processes used by the Company, including:

- (i) any significant changes in the Company’s selection or application of accounting principles and the Independent Auditor’s judgments about the quality and appropriateness of the Company’s accounting principles as applied in its financial statements;
    - (ii) major issues as to the adequacy of the Company’s internal controls, including the Company’s compliance with applicable provisions of the Sarbanes-Oxley Act of 2002; and
    - (iii) any special audit steps adopted in light of such issues.
  - 2. In connection with their certifications on the Company’s Form 10-Q and Form 10-K, receive and consider any disclosure made by the Company’s Chief Executive Officer or Chief Financial Officer regarding any:
    - (i) significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting that are reasonably likely to adversely affect the Company’s ability to record, process, summarize and report financial data; and
    - (ii) fraud, whether or not material, that involves management or other employees who have a significant role in the Company’s internal controls.
  - 3. Consider and approve, if appropriate, major changes to the Company’s auditing and accounting principles and practices after considering the advice of the Independent Auditors and management.
  - 4. Review with the Independent Auditors, Internal Auditors and/or management the extent to which changes or improvements in financial or accounting practices, as approved by the Committee, have been implemented.
- (e) Ethical and Legal Compliance Related to Financial Statements; Risk
- 1. Review and update, as required, the Company’s Code of Ethics and Business Conduct (the “**Ethics Code**”) and review management’s systems and processes for communicating, monitoring and enforcing the Company’s and its employees’ compliance with the Ethics Code, the applicable laws and regulations and the Company’s policies.
  - 2. Recommend to the Board the approval of any material amendments to the Ethics Code.
  - 3. Establish and maintain procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous

submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

4. Consider and, if acceptable, approve any waivers to the Ethics Code relating to directors or executive officers.
5. Submit to the Governance and Nominating Committee for consideration and, if acceptable, approval of any transactions involving the Company in which a major stockholder, director, employee or officer has a material interest within the meaning of the applicable rules and regulation of the Governing Bodies or otherwise.
6. Discuss with management, the Independent Auditors and the Company's legal counsel any significant legal, compliance or regulatory matters that may have a material effect on the financial statements or the Company's business, financial statements or compliance policies, including material notices to or inquiries received from governmental agencies.
7. Discuss, evaluate and report to the Board regarding the Company's major financial risk exposures, as well as other areas of potential risk exposure including IT and data security risks, health information and legal and compliance risks, Director & Officer and other insurance coverage, and such other areas of potential risk exposure that the Board deems appropriate.
8. Discuss the guidelines and policies that govern the process by which the Company's exposure to risks is assessed and managed by management and the steps that the Company's management has taken to monitor and control such exposures.

(f) Other Responsibilities

1. Approve and review annually an investment and cash management policy for the Company's cash and investment assets.
2. Periodically perform a self-evaluation of the Committee's performance, considering responsiveness to this Charter, effectiveness of relationships and communications with management, the Internal Auditors, the Independent Auditors and the Board.
3. Annually consider and update this Charter. Submit this Charter to the Board for approval and publish it in accordance with applicable rules and regulations of the Governing Bodies.
4. Perform any other activities consistent with this Charter, the Company's bylaws and governing law, as the Committee or the Board deems necessary or appropriate.

5. Through the Chair, report periodically, as deemed necessary or desirable by the Committee, but at least annually, to the full Board regarding the Committee's actions and recommendations, if any.

Approved by Audit Committee on: April 30, 2015

Approved by Board of Directors on: May 6, 2015