

NEUROMETRIX, INC.

COMPREHENSIVE COMPLIANCE PROGRAM

NeuroMetrix, Inc. has established a Comprehensive Compliance Program that is based on the Compliance Program Guidance for Pharmaceutical Manufacturers issued by the Office of Inspector General (OIG) of the U.S. Department of Health and Human Services (68 Fed. Reg. 23731 (May 5, 2003)). Although some of the provisions of the OIG may not apply to NeuroMetrix's primary business which is the design, manufacture, and sale of medical devices that aid physicians in the assessment, treatment, and repair of peripheral nerve and spinal cord injuries and disorders, and that provide regional anesthesia and pain control. The NeuroMetrix compliance program reflects our adoption of policies and procedures appropriate to our company, including compliance with the AdvaMed Code of Ethics on Interactions with Health Care Professionals. The AdvaMed Code is substantially similar to the PhRMA Code referenced in California Health and Safety Code Section 119402. Therefore, consistent with OIG guidance, the NeuroMetrix compliance program includes policies for compliance with the AdvaMed code in addition to the following elements:

I. Leadership and Oversight

NeuroMetrix has established a comprehensive compliance program that is integrated throughout the company. NeuroMetrix has designated a corporation-wide Director of Ethics and Compliance who reports directly to both the CEO and the Board of Directors. The Director of Ethics and Compliance is the chair of the Compliance Committee, whose members include senior management and outside counsel. The compliance program responsibilities include: reporting to management on compliance matters; implementing the corporate integrity agreement; periodically reviewing the company's compliance training program; coordinating internal compliance monitoring activities; reviewing any complaints that may arise; monitoring the compliance help line; coordinating any investigations relating to compliance matters, and, where necessary, ensuring that corrective action is taken.

II. Written Policies and Procedures

Neurometrix has a Comprehensive Compliance Program (CCP) that includes written materials such as a Compliance Manual and the company's Code of Business Conduct and Ethics. These documents set forth the legal and ethical standards of conduct to guide employees, particularly in key risk areas such as sales and marketing, arrangements with consultants, and the provision of coverage, reimbursement and health economics information. The CCP is based on the Compliance Program Guidance for

Pharmaceutical Manufacturers, developed by the Office of Inspector General for the U.S. Department of Health and Human Services as well as other industry guidance.

III. Compliance Training

Neurometrix has implemented a comprehensive training program that includes several hours of training on ethics and compliance related topics for each employee. The training consists of in person and on-line courses. The on-line training includes modules dealing with topics such as the fraud and abuse statutes as well as HIPAA, patient privacy and sexual harassment and other ethics and compliance areas. As a device company, Neurometrix follows the AdvaMed Code of Ethics on Interactions with Health Care Professionals.

IV. Internal Lines of Communication

In order to encourage open lines of communication regarding potential violations, Neurometrix has established an anonymous, toll-free Compliance Help Line that is available 24-hours a day 7 days a week, which employees can use to report questions or concerns they have about suspected unethical or illegal activity. All allegations of suspected unethical or illegal conduct are investigated by the Director of Ethics and Compliance. Employees are also encouraged to contact directly the Director of Ethics and Compliance or their supervisor or any member of the Compliance Committee about any concerns regarding compliance matters. It is company policy to not retaliate against any employee who lodges an ethics or compliance complaint.

V. Auditing and Monitoring

Neurometrix is operating under a 5 year Corporate Integrity Agreement imposed by the OIG in February, 2009. Consequently, the company is subject to multiple external audits and reviews. In addition, in furtherance of the objective to prevent and detect instances of non-compliant conduct, the company audits its own key risk areas internally. In accordance with the OIG HHS Guidance, the nature of our reviews as well as the extent and frequency of our compliance monitoring and auditing activities varies according to a variety of factors.

VI. Corrective Action Procedures

Neurometrix has certain procedures and protocols that guide any investigation of suspected wrong-doing. The company has also established reporting mechanisms to ensure that senior management is notified of any potential compliance or ethical breaches on a timely basis. Disciplinary action includes warning letters, reduction in pay, and termination, as warranted.

VII. Responding to Detected Problems and Taking Corrective Action

All compliance concerns brought to the attention of management, whether through the toll free anonymous help line or through other management channels, are promptly reviewed and investigated. Management, assisted by the compliance committee as necessary, determines further steps including re-training, revision of policies, or other corrective action.

VIII. Limitation of Gifts to California Medical and Health Professionals

In accordance with California Health & Safety Code Sections 19400 and 19402, Neurometrix has adopted a company-wide limit on the retail value of gifts, promotional items or activities for any individual California Medical or Health Professional. This limitation does not include demonstration or replacement electrodes or other legitimate arrangements that the company may have with a California Medical or Health Professional.

As of July 1, 2009, to the best of our knowledge, and based on our good faith understanding of the statutory requirements, we are in compliance in all material respects with our Comprehensive Compliance Program, as described above, as well as the applicable requirements of California Health & Safety Code Sections 119400 and 119402. Our Comprehensive Compliance Program is reviewed periodically and may be updated on an ongoing basis.