

DARIOHEALTH CORP.
AUDIT COMMITTEE CHARTER

The following Audit Committee Charter (the “**Charter**”) was adopted by the Board of Directors (the “**Board**”) of DarioHealth Corp., a Delaware corporation (the “**Company**”) on the date indicated below:

I. PURPOSE

(a) The primary purpose of the Audit Committee of the Board (the “**Committee**”) is to assist the Board in fulfilling its oversight responsibility relative to (i) the accounting and financial reporting processes and the audits of the Company’s financial statements; (ii) the qualifications, independence and performance of the Company’s independent registered public accounting firm (the “**Auditor**”); and (iii) the quality and integrity of the Company’s accounting, auditing and financial reporting internal controls and processes.

(b) The Committee has direct responsibility for the appointment, compensation, retention and oversight of the work of any Auditor employed by the Company (including resolution of disagreements between management and the Auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. Any Auditor engaged shall report directly to the Committee.

(c) Although the Committee has the authority and responsibilities set forth in this Charter, the primary role of the Committee is oversight. It is not the duty of the Committee to conduct audits, to determine that the Company’s financial statements are complete and accurate and are in accordance with generally accepted accounting principles and applicable laws, rules and regulations, or to otherwise assure the Company’s compliance with applicable laws, rules and regulations. These are the respective responsibilities of management subject to audit by the Company’s registered public accounting firm.

II. AUTHORITY

(a) The Committee has the ultimate authority and responsibility to select, evaluate, and where appropriate, replace the Auditor. The Auditor is ultimately accountable to the Audit Committee for its auditor’s review of the financial statements and controls of the Company.

(b) The Committee’s prior approval is required for all auditing services and non-audit services except to the limited extent permitted by law.

(c) In discharging its responsibilities hereunder, the Committee is empowered to investigate any significant matter brought to its attention with full access to all books, records, facilities and personnel of the Company.

(d) The Committee shall have the authority to engage independent legal, accounting and other advisors as it determines necessary to carry out its duties.

(e) The Committee may form and delegate authority to subcommittees consisting of one or more members to (i) grant pre-approvals of auditing services and non-audit services to be provided to the Company by the Auditor or (ii) to perform other duties (subject to Board approval) as appropriate.

III. MEMBERSHIP REQUIREMENTS

The Committee shall be comprised of at least two “independent” directors of the Board who shall also satisfy such other criteria (including and financial literacy requirements) imposed on members of the Committee pursuant to the federal securities laws and the rules and regulations of the Securities and Exchange Commission (“SEC”) and any exchange or national listing market system, if any, upon which the Company’s securities are listed or quoted for trading (the “**Trading Market**”). The term “independent director” means a director who (i) meets the definition of “independence” under the rules and regulations of the SEC and the Trading Market (and if the Company’s securities are not listed or quoted on any Trading Market or are quoted on the OTC Bulletin Board or OTCQB Market, the Company shall adhere to the rules of the NASDAQ Stock Market for purposes this Charter). In addition, at least one member of the Committee shall have the financial sophistication to the extent and as required by the Trading Market and applicable law.

IV. STRUCTURE AND PROCESSES

(a) Appointment of Members, Chair. The Board shall appoint the members of the Committee. Unless the Board elects a Chair of the Committee, the Committee shall elect a Chair by majority vote. Committee members shall serve until their successors are duly appointed and qualified. Vacancies occurring in the Committee may be filled by appointment of the Board. Each appointed member of the Committee may be removed by the Board at any time, with or without cause

(b) Meetings. The Committee may hold regular meetings on such days and at such times as it shall determine. The Committee shall meet on at least a quarterly basis, and more frequently as circumstances dictate. Minutes of the meetings and records of the Committee shall be regularly kept by the Secretary or a person appointed by the Committee to do so. All meetings require the presence of a majority of the members of the Committee to conduct business. Each Committee member shall have one vote. All actions or determinations by the Committee must be by majority vote of the members present except such actions as may be delegated to subcommittees.

(c) Rules and Guidelines. The Committee may adopt such other rules and guidelines for its meetings and other activities as it deems appropriate, including the formation of one or more subcommittees consisting of one or more members and delegate to such subcommittees authority to perform specific functions, including without limitation pre-approval of audit and non-audit services, to the extent permitted by applicable law, rules and regulations.

V. DUTIES AND RESPONSIBILITIES

The Committee shall have the following common recurring duties and responsibilities:

A. Financial Statements

1. Review and discuss with management and the Auditor financial statements and related information contained in the Company’s Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q, including the Company’s disclosures under “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” prior to filing.
2. Review and discuss with management and, as appropriate, the Auditor, prior to issuance, financial information provided by the Company to the general public or any regulatory body.

3. Recommend to the Board, if appropriate, that the Company's annual audited financial statements be included in the Company's Annual Report on Form 10-K.
4. Prepare the report of the Committee required to be included in the Company's annual proxy statement.

B. Auditor Matters

1. Select, appoint, retain, oversee and evaluate the work of and, where appropriate, replace the Auditor (and/or nominate the Auditor to be proposed for shareholder approval or ratification in any proxy statement), who is ultimately accountable to the Committee and will report directly to the Committee.
2. Review and approve all audit and non-audit services to be performed by the Auditor and the related fees and compensation for such services. The Committee may establish pre-approval policies and procedures for such services that comply with applicable laws, rules and regulations subject to certain de minimus exceptions for permitted non-audit services described in Section 10A(i)(1)(B) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), which shall be approved by the Committee prior to the completion of the audit.
3. Ensure that the Auditor submits to the Committee a formal written statement as required by the Public Company Accounting Oversight Board ("**PCAOB**") at least annually delineating all relationships between the Auditor and the Company and all services provided by the Auditor to the Company that may impact the objectivity and independence of the Auditor.
4. Actively engage in a dialogue with the Auditor with respect to any disclosed relationships or services that may impact its objectivity or independence.
5. Take, or recommend that the Board take, appropriate action to oversee the independence of the Auditor.
6. Obtain and review a report by the Auditor describing their internal quality control procedures and any material issues raised by the most recent internal quality review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years and any steps taken to deal with such issues.
7. Ensure the rotation of the lead (or coordinating) audit partner and other significant audit partners as required by applicable law, rules and regulations.
8. Review with the Auditor the scope and plan of the work to be performed by the Auditor as part of the audit for the fiscal year.

C. Accounting, Auditing and Financial Reporting Processes

1. In consultation with management, the Company's internal accounting staff and the Auditor, review the quality and integrity of the Company's accounting, auditing and financial reporting processes, including internal controls and operating procedures and practices.

2. Review proposed major changes to the Company's accounting and auditing principles and practices as suggested by management or the independent auditor.
3. Resolve any disagreements between management and the Auditor regarding financial reporting.
4. Review and discuss with the Auditor the matters required to be discussed by PCAOB Rule 3526 relating to the conduct of the audit.
5. Receive reports submitted to the Committee by the Auditor pursuant to Section 10A(k) of the Exchange Act regarding: (i) critical accounting policies and practices to be used in the audit; (ii) alternative treatments of financial information; and (iii) material written communications between the independent auditor and management.
6. Establish procedures for the confidential anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
7. Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding internal accounting controls, accounting or auditing matters.
8. Review and discuss with the Chief Executive Officer and the Chief Financial Officer their respective conclusions set forth in the Company's Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q, regarding the effectiveness of the Company's disclosure controls and procedures.
9. Review and discuss with the Chief Executive Officer and the Chief Financial Officer any matters required to be disclosed by such officers pursuant to Rule 13a-14 of the Exchange Act regarding any significant deficiencies in the design or operation of the Company's internal control over financial reporting which could adversely affect the Company's ability to record, process, summarize and report financial data.
10. Review and discuss with the Chief Executive Officer and the Chief Financial Officer any matters required to be disclosed by such officers pursuant to Rule 13a-14 of the Exchange Act regarding any fraud involving management or other employees who have a significant role in the Company's internal control over financial reporting.

D. Internal Controls

1. In consultation with management and the Auditor, review and assess the adequacy of the Company's internal controls and procedures for financial reporting and the procedures designed to assess, monitor and manage business risk and legal and ethical compliance programs.
2. Understand the scope of internal and external auditors' review of internal controls for financial reporting and operational effectiveness and obtain reports on significant findings and recommendations, together with management's responses.

3. Obtain follow-up reports from management and the Auditor to determine that recommendations have been implemented satisfactorily.

E. Other

1. Meet periodically with management to review the Company's major financial and business risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.
2. Receive reports from the Company's legal counsel regarding any material violation of law or any material breach of fiduciary duty by the Company, an officer, employee or any agent of the Company.
3. Receive reports from the Auditor regarding illegal acts that have been detected by or have otherwise come to the attention of the Auditor in the course of the audit or otherwise.
4. Review and oversee transactions between the Company and its directors and executive officers. For purposes of this Section V.E.4, "transaction" shall not include payment of compensation to, or participation in benefit plans by, directors or executive officers in such capacities or as employees of the Company.
5. Engage independent legal, accounting and other advisors as it determines necessary to carry out its duties and determine appropriate compensation for such advisors.
6. Determine appropriate funding for payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.
7. Report regularly to the Board regarding issues arising before, and the actions taken by, the Committee.
8. Review the Committee's own performance annually.
9. Review and reassess the adequacy of this Charter periodically as circumstances dictate, but no less frequently than annually, and recommend any proposed changes to the Board for approval.
10. Perform any other activities consistent with this Charter, the Company's Certificate of Incorporation and Bylaws, and governing law as the Committee or the Board deems necessary or appropriate.

Adopted: February 8, 2012

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