

NEUROMETRIX, INC.

Compensation Committee Charter

I. General Statement of Purpose

The Compensation Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) of NeuroMetrix, Inc. (the “Corporation”) to have direct responsibility for the oversight of all the compensation plans, policies, and programs of the Corporation in which the directors and executive officers (i.e., the Chief Executive Officer (“CEO”) and any other officer who has been designated an officer for purposes of Section 16 of the Securities Exchange Act of 1934 as amended (the “Exchange Act”) participate, and certain other incentive and equity plans in which all other employees of the Corporation participate, and for such other matters as described herein.

II. Committee Membership

The Committee shall consist of no fewer than two directors. The members of the Committee shall at all times meet the independence requirements of the NASDAQ Marketplace Rules.

The members 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

The Committee shall have sole authority to retain and terminate any compensation consultants to be used by the Committee to assist in the evaluation of compensation for the directors, CEO, and/or other executive officers and shall have sole authority to approve each consultant’s fees and other retention terms. The Committee shall also have authority to obtain advice and assistance from internal and external legal, accounting, or other advisors including without limitation, compensation professionals serving primarily as data providers whether engaged directly by the Committee or by management.

The Committee shall, in consultation with such other sources as it deems appropriate, including without limitation, its compensation consultant(s) and the other independent directors, review and approve all terms and conditions of the appointment or termination of the CEO’s employment. In addition, the Committee shall approve any change in the CEO’s employment terms and conditions (not otherwise provided for herein), including any restrictive covenants, severance agreements, or special arrangements or benefits.

Acting with the other independent directors, the Committee shall annually review and approve corporate goals and objectives relevant to the CEO’s compensation (the “Goals”) for the upcoming year, evaluate the CEO’s performance in light of the respective Goals approved for the year under consideration, and review, determine, and approve the CEO’s compensation level,

based in part on the results of the Board's CEO evaluation process governing the CEO's performance and on other factors. In determining the CEO's compensation, the other factors to be considered shall include, among other things, the Corporation's financial performance and stock performance, compensation trends, the total compensation of chief executive officers at comparable companies, and the compensation history of the CEO.

The Committee shall approve all terms and conditions of the appointment or termination of the Chief Legal Officer, Chief Financial Officer, and all other officers who have been designated as officers for purposes of Section 16 of the Exchange Act (all such designated officers collectively "Senior Executives") other than the CEO, and all compensation arrangements of such individuals shall be subject to such approval. In addition, the Committee shall approve any change in such officers' employment terms and conditions (not otherwise provided herein), including any restrictive covenants, severance arrangements, special arrangements or benefits, and any changes in total compensation, other than changes to base salary, outside of the annual review and award process.

The Committee shall annually review, evaluate, and approve the total compensation of all Senior Executives other than the CEO, including awards provided under incentive compensation plans and equity-based plans, taking into account the reported assessment of their individual performance by the CEO and other factors. In connection with the foregoing, the Committee shall annually report to the Board with respect to the total compensation and other terms of such Senior Executives including (a) annual base salary level, (b) incentive opportunity level, including short-term and long-term incentives, (c) employment terms and conditions, including restrictive provisions, severance arrangements, and change in control agreements/provisions, in such cases as, when, and if appropriate, and (d) any special or supplemental arrangements or benefits.

The Committee shall review and determine, and where appropriate or required recommend to the Board and/ or the Corporation's stockholders for approval, all material annual incentive plans and all terms thereof, and equity-based plans. In addition, in the case of any material plans that do not require or are not subject to Board or stockholder approval, the Committee shall approve such plans and any changes to the terms thereof. In connection with the foregoing, the Committee shall annually determine any performance goals with respect to any such applicable plan for the upcoming year and shall certify or receive certification that such performance goals and any other material terms of such plans were in fact satisfied prior to approving any awards thereunder for the respective year.

The Committee may delegate to the CEO the approval of non-equity incentive awards (taking into account the recommendations of the Corporation's senior management) for all employees who are not Senior Executives.

The Committee may adopt equity award grant guidelines (the "Guidelines") from time to time. Consistent with the Guidelines, the Committee shall exercise all rights, authority, and functions of the Board under all of the Corporation's equity-based plans, including without limitation, the authority to interpret the terms thereof and to grant and amend awards thereunder; provided, however, that, except as otherwise expressly authorized to do so by this Charter or a plan or resolution of the Board, the Committee shall not be authorized to amend any such plan.

To the extent permitted by and consistent with applicable law, the Guidelines, and the provisions of a given equity-based plan, the Board may also delegate to a committee consisting of one or more Committee or Board members the power to grant and amend awards pursuant to such a plan to eligible participants who are not directors or Senior Executives of the Corporation. The Committee shall approve all equity compensation grants that are made in reliance on an exemption from any stockholder approval requirements of the NASDAQ Marketplace Rules.

The Committee shall review, evaluate, and approve (subject to Board approval where so provided) all non-qualified deferred compensation plans for directors and/or employees of the Corporation.

The Committee shall be responsible for the oversight of, and shall have authority to take all actions, including without limitation adoption, termination, and amendment, with respect to any and all qualified and non-qualified health and welfare employee benefit plans, programs, and arrangements that are made available to the employees of the Corporation, consistent with applicable law. In connection with the foregoing, the Committee may delegate in writing in accordance with applicable law all or any portion of such responsibilities to one or more committees as the Committee in its sole discretion may determine, and shall appoint the members to any such committee. The Committee shall review periodically the authority carried out by its delegates.

The Committee shall annually, in consultation with such other sources as it deems appropriate, including without limitation, its compensation consultant(s) and the Board, review the form and amount of director compensation, and shall recommend such compensation for the succeeding year to the Board. In recommending directors' compensation, the Committee shall consider, among other things, the appropriateness of the payment of directors' compensation in whole or part in stock, the Corporation's financial performance and stock performance, compensation of directors at comparable companies, and the compensation paid to directors in past years.

If required by applicable rules, the Committee shall review and discuss annually with management the Corporation's Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K (the "CD&A"). The Committee shall consider annually whether it will recommend to the Board that the CD&A be included in the Corporation's annual proxy statement. The Committee shall prepare the annual Compensation Committee Report required by Item 407(e)(5) of Regulation S-K.

The Board or the Committee may delegate any of its authority not otherwise provided for herein, to the extent permitted by the law or regulatory authority, to one or more members of the Committee or to one or more employees of the Corporation. Without limiting the foregoing, the Board may designate a committee consisting of at least two members of the Committee who qualify as "outside" directors within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended, which, acting as a subcommittee of the Committee, shall have the power and authority to discharge all of the Committee's responsibilities with respect to compensation that is intended to qualify as performance-based compensation under Section 162(m).

In addition, the Committee shall have the following responsibilities:

- The Committee shall make regular reports to the Board of its activities.
- The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval. The Committee shall perform an annual evaluation of the Committee's performance.
- The Committee shall have such other duties as may be delegated from time to time by the Board.
- For purposes of this Charter, reference to the Corporation's employees shall include employees of the Corporation and its subsidiaries and affiliates.