

# NeuroMetrix, Inc.

## COMPENSATION COMMITTEE CHARTER

### **I. PURPOSE**

The purpose of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of NeuroMetrix, Inc. (the “Corporation”) is:

1. To discharge the responsibilities of the Board relating to compensation of the Corporation’s directors and executive officers as determined by the Board (the “Executive Officers” and each an “Executive Officer”);
2. To assist the Board in establishing appropriate incentive compensation and equity-based plans and to administer such plans; and
3. To oversee the annual process of evaluation of the performance of the Corporation’s management; and
4. To perform such other duties and responsibilities as enumerated in and consistent with this Charter.

### **II. MEMBERSHIP AND PROCEDURES**

#### **A. Membership and Appointment**

The Committee shall be comprised of not fewer than two members of the Board, as shall be determined from time to time by the Board. The members of the Committee shall be elected by the Board, or the committee thereof responsible for nominations of directors, at the annual organizational meeting of the Board or such committee, as applicable, and shall hold office until their death, resignation or removal or until their successors shall be duly elected and qualified.

All members of the Committee must qualify as “independent directors” for purposes of the listing standards of The Nasdaq Stock Market, as such standards may be amended from time to time. The Board must consider all factors specifically relevant to determining whether a member of the Committee has a relationship to the Corporation which is material to that director’s ability to be independent from management in connection with the duties of a Committee member, including but not limited to (i) the source of compensation of such director, including any consulting, advisory or other compensatory fee paid by the Corporation to the director and (ii) whether the director is affiliated with the Corporation, any of its subsidiaries or an affiliate of a subsidiary. To the extent that the Board deems practicable and advisable, all members of the Committee shall also qualify as “non-employee directors” for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)/Exchange Act; provided, however, that notwithstanding anything contained herein to the contrary, if not all members of the Committee qualify as non-employee directors, any grant of equity compensation to directors and officers (as defined by Rule 16a-1(f) of the Exchange Act) shall be made by the full Board or a

subcommittee of the Committee comprised of at least two members who qualify as non-employee directors.

B. Removal

The entire Committee or any individual Committee member may be removed without cause by the affirmative vote of a majority of the Board. Any Committee member may resign effective upon delivery of oral or written notice to the Chairman of the Board, the Secretary of the Corporation, or the Board (unless the notice specifies a later time for the effectiveness of such resignation). The Board may elect a successor to assume the available position on the Committee when the resignation becomes effective.

C. Chairperson

A chairperson of the Committee (the “Chairperson”) may be designated by the Board. In the absence of such designation, the members of the Committee may designate the Chairperson by majority vote of the full Committee membership. The Chairperson shall determine the agenda for meetings and shall have unlimited access to management and to information relating to the Committee’s purposes. The Chairperson shall establish such other rules as may from time to time be necessary and proper for the conduct of the business of the Committee.

D. Meetings, Minutes and Reporting

The Committee shall meet at least two times per year and at such other times as it deems necessary to carry out its responsibilities. All Committee members are expected to attend each meeting, in person or via tele- or video-conference.

The Committee shall keep full and complete minutes of the proceedings of the Committee. In addition to the specific matters set forth herein requiring reports by the Committee to the full Board, the Committee shall report such other significant matters as it deems necessary concerning its activities to the full Board. The Committee may appoint a Secretary whose duties and responsibilities shall be to keep records of the proceedings of the Committee for the purposes of reporting Committee activities to the Board. The Secretary need not be a member of the Committee or a director and shall have no membership or voting rights by virtue of the position.

E. Delegation

The Committee may, by resolution passed by a majority of the Committee members, designate one or more subcommittees, each subcommittee to consist of at least two members of the Committee. Each subcommittee shall keep regular minutes of its meetings and report the same to the Committee or the Board when required.

To the extent permitted by and consistent with applicable law and the provisions of a given equity-based plan, the Committee may delegate to the Chief Executive Officer the power to grant options or other stock awards pursuant to such equity-based plan to employees or consultants of the Corporation or any subsidiary of the Corporation who are not directors of the Corporation or Executive Officers.

F. Authority to Retain Advisors

The Committee shall have authority with the approval of the Board to retain or obtain the advice of such compensation consultants, legal counsel, experts and other advisors as the Committee may deem appropriate. The Committee shall be directly responsible for the appointment, compensation and oversight of its consultants, legal counsel, experts and advisors, and the Corporation shall provide funding for such fees and related expenses.

**III. DUTIES AND RESPONSIBILITIES**

The following shall be recurring duties and responsibilities of the Committee in carrying out its purposes. These duties and responsibilities are set forth below as a guide to the Committee, with the understanding that the Committee may alter or supplement them as appropriate under the circumstances, to the extent permitted by applicable laws, rules and regulations.

1. Review and provide oversight of a compensation policy for Executive Officers designed to (i) enhance the financial performance of the Corporation and increase stockholder value, (ii) reward Executive Officers for their contribution to the Corporation's growth and financial performance, (iii) recognize individual initiative, leadership, achievement, and other contributions, (iv) provide competitive compensation that will attract and retain qualified executives.
2. Review and consider participation and eligibility in the various components of the total executive compensation package. Subject to variation where appropriate, the compensation policy for Executive Officers shall include (i) base salary, which shall be set on an annual or other periodic basis, (ii) annual or other time or project based incentive compensation, which shall be awarded for the achievement of predetermined financial, project, research or other designated objectives of the Corporation as a whole and of the Executive Officers individually and (iii) long-term incentive compensation in the forms of equity participation and other awards with the goal of aligning, where appropriate, the long-term interests of Executive Officers with those of the Corporation's stockholders and otherwise encouraging the achievement of superior results over an extended time period.
3. Annually review and approve corporate goals and objectives relevant to compensation of the CEO and other Executive Officers.
4. Annually evaluate the CEO's performance in light of relevant corporate goals and objectives, and approve the CEO's compensation.
5. Annually review and approve the compensation of Executive Officers other than the CEO.
6. Annually review and approve the compensation of the directors of the Company, including with respect to any equity-based plans.
7. As deemed necessary or appropriate, approve employment contracts, severance arrangements, change in control provisions and other agreements.

8. Approve cash incentives and deferred compensation plans for Executive Officers (including any modification to such plans) and oversight of performance objectives and funding for executive incentive plans.
9. Review and oversee reimbursement policies for directors and Executive Officers.
10. Periodically review and make recommendations to the Board with respect to equity-based plans that are subject to approval by the Board. The Committee shall oversee the Corporation's compliance with the requirement under Nasdaq rules that, with limited exceptions, stockholders approve equity compensation plans. Subject to such stockholder approval, or as otherwise required by the Exchange Act, or other applicable law, the Committee shall have the power to manage all equity-based plans.
11. If the Corporation is required by applicable Securities and Exchange Commission ("SEC") rules to include a Compensation Discussion and Analysis ("CD&A") in its SEC filings, review the CD&A prepared by management, discuss the CD&A with management and, based on such review and discussions, recommend to the Board that the CD&A be included in the Corporation's Annual Report on Form 10-K, proxy statement, or any other applicable filing as required by the SEC.
12. The Committee shall produce the annual Compensation Committee Report for inclusion in the Corporation's proxy statement in compliance with the rules and regulations promulgated by the SEC.
13. Periodically review executive compensation trends, and the programs and practices of the Corporation's peer group against the Corporation's executive compensation programs and practices to ensure that the Corporation's programs are competitive and supportive of its strategy and objectives.
14. Review and discuss with management the Corporation's strategy, objectives, policies and practices in the areas of compensation, benefits, and human capital management, including talent development, diversity and equal opportunity, and human resource planning.
15. Review all compensation policies and practices for all employees to determine whether such policies and practices create risks that are reasonably likely to have a material adverse effect on the Corporation.
16. Recommend to the Board that the stockholders of the Corporation approve, on an advisory basis, the compensation of the named executive officers of the Corporation, as disclosed in the Corporation's proxy statement, if such proposal will be contained in the Corporation's proxy statement.
17. Recommend to the Board the frequency of holding a vote on the compensation of the Corporation's named executive officers, if such proposal will be contained in the Corporation's proxy statement.
18. Periodically review executive supplementary benefits and, as appropriate, the organization's retirement, benefit, and special compensation programs involving significant cost.
19. Review and discuss with management the Corporation's disclosures in its public filings, including its proxy statement, on the topic of human capital resource management.

20. Make regular reports to the Board.
21. Annually review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval.
22. Annually evaluate its own performance.
23. Fulfill such other duties and responsibilities as may be assigned to the Committee, from time to time, by the Board and/or the Chairman of the Board.