

MICRONETICS, INC.

COMPENSATION COMMITTEE CHARTER

I. General Statement of Purpose

The Compensation Committee (the “*Committee*”) shall assist the Board of Directors (the “*Board*”) of Micronetics, Inc. (the “*Company*”) in discharging its responsibilities relating to the compensation of the Company’s directors and executive officers and related matters, including, but not limited to: (i) reviewing and making recommendations to the Board on the Company’s compensation practices and policies; (ii) determining or recommending to the Board for determination, the salaries and incentive compensation of the Chief Executive Officer and the other executive officers; and (iii) administering and interpreting the Company’s equity-based compensation plans. The Committee may also (i) prepare any report which may be required to be included in the Company’s annual proxy statement and (ii) review and discuss with management of the Company the Compensation Discussion and Analysis (the “*CD&A*”), if such CD&A is required by the rules of the Securities and Exchange Commission to be included in the Company’s annual proxy statement.

II. Responsibilities and Authority

In furtherance of this purpose, the Committee shall have the following responsibilities and authority:

- Administer the Company’s stock option plans and employee stock purchase plans, including the grant of stock options to all eligible employees under the Company’s existing stock option plans.
- Determine or make recommendations to the Board concerning salaries, bonuses and other matters relating to compensation of the Chief Executive Officer and the other executive officers of the Company.
- Determine or make recommendations to the Board concerning severance arrangements with executive officers of the Company.
- Review and make recommendations from time to time on the status of Board compensation in relation to other comparable companies.
- Review and make recommendations to the Board with respect to stockholder proposals related to compensation matters.
- Review and make recommendations to the Board regarding employee compensation and benefit plans and programs generally, including employee bonus and retirement plans and programs.
- Prepare the report of the Committee if required by the rules of the Securities and Exchange Commission to be included in the Company’s annual proxy statement.

- Review and discuss with management of the Company the CD&A if required by the rules of the Securities and Exchange Commission to be included in the Company’s annual proxy statement.
- Carry out such other duties as may be delegated to it by the Board from time to time.

III. Annual Evaluation

The Committee shall review this Charter annually and recommend to the Board any improvements to this Charter it deems necessary.

IV. Membership

The Committee shall consist of at least two members. Each member of the Committee shall be appointed by the Board and shall meet:

- (i) the independence requirements of the Nasdaq Marketplace Rules;
- (ii) the requirements of an “outside director” for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended; and
- (iii) the requirements of a “non-employee director” for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended.

V. Chair

The Committee shall include a Committee chair. The Committee chair shall be appointed by a majority vote of the Board and shall be entitled to chair and to fix the agenda for all meetings of the Committee.

VI. Meetings; Action by Committee

The Committee shall meet as often as necessary to carry out its responsibilities, but at least twice yearly. The Committee is authorized, by majority vote or unanimous written consent of its members, to adopt its own rules of procedure, including the formalities of calling, noticing and holding meetings and for the taking of action of the Committee by vote at any such meeting or by unanimous written consent of the members thereof. Unless and until any such procedures are formally adopted by the Committee, the procedures with respect to calling, noticing and holding meetings of the Committee and conducting business of the Committee shall be the same as those provided in the By-laws of the Company with respect to calling, noticing and holding meetings of and taking action by the Board.

The Committee shall be responsible for maintaining minutes and other applicable records of each Committee meeting. The Committee shall report its actions and recommendations to the Board after each Committee meeting.

The Committee may invite to, or exclude from, its meetings any individual it deems appropriate in order to carry out its responsibilities.

VII. Other

Access to Records, Personnel and Others. The Committee shall have full access to any relevant records and personnel of the Company. The Committee shall have the authority to retain, at Company expense, independent advisers (including legal counsel, accountants and consultants) as it determines necessary to carry out its duties.

Delegation. The Committee may delegate any of its responsibilities to a subcommittee comprised of one or more members of the Committee.

Performance Evaluation. The Committee shall evaluate its performance on an annual basis.