

## INVIVO THERAPEUTICS HOLDINGS CORP.

### COMPENSATION COMMITTEE CHARTER

#### A. Purpose

The purpose of the Compensation Committee (the “Committee”) is to assist the Board of Directors (the “Board”) of InVivo Therapeutics Holdings Corp. (the “Company”) in fulfilling its responsibilities relating to determining the compensation of the Company’s Chief Executive Officer (the “CEO”) and all other executive officers of the Company; recommending to the Board a compensation program for non-employee members of the Board; administering the Company’s incentive compensation and stock plans; and overseeing the Company’s employee benefit plans.

For the purposes of this Charter, any reference to any statute, law, rule or regulation shall include any successor provision thereto.

#### B. Structure and Membership

1. *Number.* The Committee shall consist of at least three members of the Board.
2. *Independence; Qualifications.* Except as otherwise permitted by the applicable NASDAQ Stock Market rules, each member of the Committee shall be an “independent director” as defined by applicable rules, including the rules of the NASDAQ Stock Market. In addition, at least two members of the Committee shall qualify as a “non-employee director” for the purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) and as an “outside director” for the purposes of Section 162(m) of the Internal Revenue Code, as amended (the “Code”), and any other requirements imposed by applicable law.
3. *Chair.* Unless the Board elects a Chair of the Committee, the Committee shall elect a Chair by majority vote.
4. *Compensation.* The compensation of Committee members shall be as determined by the Board.
5. *Selection and Removal.* Members of the Committee shall be selected and appointed by the Board, upon the recommendation of the Nominating and Corporate Governance Committee in accordance with the procedures set forth in the Company’s Corporate Governance Guidelines. The Board may in its sole discretion, with or without cause, remove members from the Committee from time to time. Resignation or removal of a director from the Board, for whatever reason, shall automatically and without any further action constitute resignation or removal, as applicable, from the Committee. Any member of the Committee may resign by delivering his or her written resignation to the Company at its principal office or to the Chair of the Committee. Such resignation shall be effective upon receipt unless it is specified to be effective at some other time. Any vacancy on the Committee, occurring for whatever reason, may be filled only by the Board.

#### C. Authority and Responsibilities

The Committee shall discharge its responsibilities, and shall assess the information provided to it by the Company’s management and others, in accordance with its business judgment.

1. *CEO Compensation.* The Committee shall annually review and recommend to the Board for approval the corporate goals and objectives relevant to the compensation of the CEO, evaluate the CEO’s performance in light of those goals and objectives, and based on this evaluation, review and recommend to the Board for review, determination and approval the CEO’s compensation level,

including salary, bonus and incentive compensation levels; deferred compensation; executive perquisites; equity compensation (including awards to induce employment); severance arrangements; change-in-control benefits; and other forms of CEO compensation. The Committee shall also review and recommend to the Board for approval any and all special perquisites, special cash payments, and other special compensation and benefit arrangements for the CEO. The CEO may not be present during voting or deliberations on his or her compensation.

2. *Executive Officer Compensation and Agreements.* The Committee shall review, determine and approve (or if it deems appropriate, recommend to the Board for review, determination and approval) all other executive officer compensation, including salary, bonus and incentive compensation levels; deferred compensation; executive perquisites; equity compensation (including awards to induce employment); severance arrangements; change-in-control benefits and other forms of executive officer compensation. The Committee shall also approve any and all special perquisites, special cash payments, and other special compensation and benefit arrangements for the executive officers and individuals who formerly served as executive officers. The Committee shall meet without the presence of executive officers when approving or deliberating on executive officer compensation but the Committee may, in its discretion, invite the CEO to be present during the approval of, or deliberations with respect to, other executive officer compensation. The Committee shall also review and approve the terms of any and all offer letters, employment agreements, severance agreements, change-in-control agreements, indemnification agreements and other material agreements between the Company and its executive officers.

3. *Plan Recommendations and Approvals.* The Committee shall periodically review and make recommendations to the Board with respect to incentive compensation plans and equity-based plans. In addition, the Committee, or a majority of the independent directors serving on the Board, shall approve any tax-qualified, non-discriminatory employee benefit plans (and any parallel nonqualified plans) for which stockholder approval is not sought and pursuant to which options or stock may be acquired by officers, directors, employees or consultants of the Company.

4. *Incentive Plan Administration.* The Committee shall exercise all rights, authority and functions of the Board under all of the Company's stock option, stock incentive, employee stock purchase and other equity-based plans, including without limitation, the authority to interpret the terms thereof, to grant options thereunder and to make equity awards thereunder; provided, however, that, except as otherwise expressly authorized to do so by a plan or resolution of the Board, the Committee shall not be authorized to amend any such plan. To the extent permitted by applicable law and the provisions of a given equity-based plan, and consistent with the requirements of applicable law and such equity-based plan, the Committee may delegate to one or more executive officers of the Company the power to grant options or other stock awards pursuant to such equity-based plan to employees of the Company or any subsidiary of the Company who are not directors or executive officers of the Company. The Committee shall monitor total equity usage for compensation and make recommendations to the Board regarding appropriate equity dilution levels. The Committee, or a majority of the independent directors serving on the Board, shall approve any inducement awards to be granted in reliance on the exemption from stockholder approval contained in NASDAQ Rule 5635(c)(4).

5. *Director Compensation.* The Committee shall periodically review and make recommendations to the Board with respect to non-employee director compensation, including but not limited to the following elements: retainer, meeting fees, committee fees, committee chair fees, equity or stock compensation, deferred compensation, benefits and perquisites.

6. *Committee Report on Executive Compensation.* The Committee shall prepare for inclusion where necessary in a proxy or information statement of the Company relating to an annual meeting or other properly convened meeting of security holders at which directors are to be elected (or

special meeting or written consents in lieu of such meeting), the report required to be prepared by it under SEC rules and regulations.

7. *Compensation Discussion and Analysis.* The Committee shall review and discuss with management the annual Compensation Discussion and Analysis (“CD&A”) disclosure regarding named executive officer compensation and, based on this review and discussion, recommend whether the Company include the CD&A in the Company’s annual report on Form 10-K and annual proxy statement.

8. *Shareholder Approvals and Advisory Votes.* The Committee shall oversee and review the Company’s policies in connection with shareholder approval of certain executive compensation matters, including advisory votes on executive compensation to the extent required by Section 14A of the Exchange Act, and to the extent applicable, the requirement under the rules of the NASDAQ Stock Market related to shareholder approval of equity compensation plans.

9. *Risk Management.* The Committee shall periodically, but not less than annually (a) review the Company’s compensation policies to determine whether they encourage inappropriate or excessive risk taking and (b) review and discuss compensation policies that could mitigate risk.

10. *Stock Ownership Guidelines.* The Committee has the ability to set stock ownership guidelines for the CEO and other executive officers and monitor compliance with such guidelines.

11. *Employee Benefit Plans.* Oversee and periodically review the operation of all of the Company’s employee benefit plans. Responsibility for day-to-day administration of the plans, including the preparation and filing of all government reports and the preparation and delivery of all required employee materials and communications, will be performed by Company personnel.

12. *Additional Powers.* The Committee shall have such other duties with respect to compensation matters as may be delegated from time to time by the Board.

#### **D. Procedures and Administration**

1. *Meetings.* The Committee shall meet at least four times each year and otherwise as often as it deems necessary in order to perform its responsibilities. The Committee may also act by unanimous written consent in lieu of a meeting. The Committee shall keep such records of its meetings as it shall deem appropriate.

2. *Quorum and Action at Meetings.* A majority of the members of the Committee shall constitute a quorum for purposes of holding and transacting any business at a meeting. At any meeting at which a quorum is present, a majority of members of the Committee present may take any action on behalf of the Committee.

3. *Subcommittees.* The Committee may form and delegate authority to one or more subcommittees (including a subcommittee consisting of a single member) as it deems appropriate from time to time under the circumstances (including (a) a subcommittee consisting of a single member and (b) a subcommittee consisting of at least two members, each of whom qualifies as a “non-employee director,” as such term is defined from time to time in Rule 16b-3 promulgated under the Exchange Act and the rules and regulations thereunder, and an “outside director,” as such term is defined from time to time in Section 162(m) of the Code and the rules and regulations thereunder).

4. *Reports to Board.* The Committee shall report regularly to the Board.

5. *Charter.* The Committee shall periodically, but not less than annually, review and

reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval.

6. *Advisors.*

- a. The Committee shall have authority, in its sole discretion, to retain or obtain the advice of any compensation consultant, legal counsel and/or other adviser as it shall deem necessary or advisable in order to carry out its duties, without Board or management approval.
- b. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, legal counsel and other adviser retained by the Committee.
- c. The Company must provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to a compensation consultant, legal counsel or any other adviser retained by the Committee.
- d. The Committee may select, or receive advice from, a compensation consultant, legal counsel or other adviser to the Committee, other than in-house legal counsel, only after taking into consideration the applicable factors affecting independence that are specified in NASDAQ Rule 5605(d)(3)(D).

7. *Investigations.* The Committee shall have the authority to conduct or authorize investigations into any matters within the scope of its responsibilities as it shall deem appropriate, including the authority to request any officer, employee or advisor of the Company to meet with the Committee or any advisors engaged by the Compensation Committee.

8. *Annual Self-Evaluation.* At least annually, the Committee shall evaluate its own performance and report the results of such evaluation to the Board.

9. *Reliance on Advice and Information.* In performing its duties, the Committee shall be entitled to rely upon advice and information that it receives in its discussions and communications with management, the independent auditor and such experts, advisors and professionals as may be consulted by the Committee.

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