

NEPHROS, INC.
COMPENSATION COMMITTEE CHARTER
(As amended and approved October 17, 2018)

I. Purpose

The purpose of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Nephros, Inc. (the “Company”) is to (i) assist the Board in discharging its responsibilities with respect to the determination and review of the Company’s compensation plans, policies, and programs, including compensation of the Company’s directors and executive officers (as defined in Rule 16a-1(f) of the Securities Exchange Act of 1934, as amended (“Exchange Act”)); (ii) evaluate the performance of the executive officers of the Company, (iii) assist the Board in developing succession plans for executive officers; and (iv) administer the Company’s stock and incentive compensation plans and recommend changes in such plans to the Board as needed.

II. Membership

The Committee shall be comprised of two or more directors, each of whom shall be free from any relationship that, in the opinion of the Board, would interfere with his or her exercise of independent judgment and must satisfy the standards for independence set forth in the rules and regulations of the stock exchange on which the Company’s common stock is listed (the “Exchange”) and with the provisions of Rule 10C-1(b)(1) under the Exchange Act. In addition, each Committee member must qualify as a “non-employee director” for purposes of Rule 16b-3 under the Exchange Act.

Members of the Committee shall be appointed by the Board and may be removed at the Board’s sole and absolute discretion. Members shall serve until their successors shall be duly elected and qualified. The Committee’s chairperson shall be designated by the full Board or, if the Board does not do so, the Committee members shall elect a chairperson by vote of a majority of the full Committee.

III. Meetings

The Committee shall meet in person, telephonically or otherwise at least twice during each fiscal year. The Committee may also hold special meetings or act by unanimous written consent, as may be appropriate or required.

The Committee may request any officer or employee of the Company or the Company’s outside counsel to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee; provided, however, that the chief executive officer may not be present during any discussions or deliberations of the Committee regarding the chief executive officer’s compensation.

The chairperson of the Committee will preside at each meeting of the Committee and, in consultation with the other members of the Committee, shall set the frequency and length of each meeting and the agenda of items to be addressed at each meeting. The chairperson will ensure that the agenda for each meeting is circulated in advance of the meeting. The Committee shall keep minutes of each of its meetings and conference calls and report its actions and any recommendations to the Board after each of the Committee’s meeting.

The Committee meetings will be governed by the quorum and other procedures generally applicable to meetings of the Board under the Company’s bylaws, unless otherwise stated in the bylaws or by resolution of the Board or the Committee. The Committee shall have the authority to delegate any of its responsibilities to subcommittees as the Committee may deem appropriate.

IV. Committee Resources and Advisors

The Committee shall have the authority, in its sole discretion, to retain compensation consultants, outside legal and/or other advisors to advise the Committee as it deems necessary to carry out its duties. The Committee shall also have the authority to obtain advice and assistance from internal and external legal, human resource or other advisors. The Committee is directly responsible for the appointment, compensation and oversight of the work of any such compensation consultant, outside legal counsel or other advisor. In selecting or seeking advice from compensation consultants, outside legal counsel and other advisors (other than the Company's internal legal, human resource or other advisors), the Committee will consider the independence factors specified by the Exchange and other applicable rules, and the Committee will oversee disclosure regarding any conflict of interest found to exist with respect to a compensation consultant. The Committee is not required to implement or act consistently with the advice or recommendations of any compensation consultant, outside legal counsel or other advisor retained by it, and the authority granted in this Charter does not affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties under this Charter.

The Company will provide the appropriate funding, as determined by the Committee, for payment of compensation to any advisors engaged by the Committee. The Company will also provide the appropriate funding, as determined by the Committee, for payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties. Management of the Company will cooperate with the Committee and render to the Committee such assistance as the Committee requests for the purpose of carrying out its functions.

V. Responsibilities and Duties

The Committee shall have the following authority and responsibilities:

- 1. Executive Officer Compensation.** Review and approve on an annual basis the individual and Company performance goals and objectives with respect to the compensation for the Company's chief executive officer and other executive officers. The Committee shall evaluate at least once per year the chief executive officer and other executive officers' performance in light of these established goals and objectives and based upon these evaluations shall recommend to the full Board the chief executive officer and other executive officers' annual compensation, including salary, bonus, incentive and equity compensation. In reviewing and recommending the compensation of the chief executive officer and other executive officers, the Committee shall consider the results of the most recent stockholder advisory vote on executive compensation ("Say on Pay Vote") required by Section 14A of the Exchange Act and may also consider the compensation awarded to officers of similarly situated companies, the Company's performance, the individuals' performance, compensation given to the Company's officers in past years, the Company's compensation policies, or any other fact the Committee deems appropriate. The chief executive officer shall not be permitted to participate in any discussions or processes concerning his compensation, but may participate in a non-voting capacity in discussions or processes concerning the compensation of other executive officers.
- 2. Compensation Policies and Risk Management.** Develop and periodically assess the Committee's compensation policies applicable to the Company's executive officers and directors, including the relationship of corporate performance to executive compensation. Annually consider (i) whether the various compensation plans are fair, appropriate, and justifiable, and successfully implement the Company's compensation policies; (ii) whether the Company's incentive compensation arrangements encourage excessive risk-taking; and (iii) the relationship

between risk management policies and practices and compensation, including whether compensation policies and practices that could mitigate any such risk.

3. **Other Compensation Plans.**

- i. Develop, review, approve and, when appropriate, recommend to the Board for approval, benefits, perquisites, incentive compensation plans and equity-based plans, and where appropriate or required, recommend incentive and equity plans for approval by the shareholders of the Company. Such authority includes the ability to adopt, amend, and terminate such plans. Such review must include consideration of regulatory requirements, tax consequences to the Company and participants, market data, the Company's compensation philosophy, potential dilution to shareholders, and other factors and information that the Committee deems relevant. In reviewing and approving incentive compensation plans and equity-based plans, including whether to adopt, amend, or terminate any such plans, the Committee must consider the results of the most recent Say on Pay Vote.
- ii. Administer the Company's incentive compensation, benefits and equity-based plans, including review of related registration statements and additional registration as necessary, designation of the employees to whom the awards are to be granted, the amount of the award or equity to be granted and the terms and conditions applicable to each award or grant, subject to the provisions of each plan. All equity grants must be approved by the full Board or a majority of the Committee.

4. **Significant Executive Officer Contracts and Loans.** Review and approve significant employment agreements, arrangements or transactions with executive officers, including any arrangements having any compensatory effect or purpose. Monitor the Company's compliance with the requirements under the Sarbanes-Oxley Act of 2002 relating to loans to directors and executive officers, and with all other applicable laws affecting employee compensation and benefits.

5. **Director Compensation.** Review and recommend to the Board appropriate director compensation programs for service as directors, committee chairs and committee members, taking into account the goals of attracting and retaining highly qualified directors and aligning directors' interests with the long-term owners of the Company.

6. **Required Compensation Disclosure.** Review and discuss with management the Company's Compensation Discussion and Analysis ("CD&A"), if required, and any related executive compensation information, including disclosure regarding the Company's processes and procedures for considering and determining executive and director compensation. Based on such review, and if required, the Committee must determine whether or not to recommend that the CD&A and related executive compensation information be included in the Company's annual report on Form 10-K and proxy statement.

7. **Say on Pay Vote.** Recommend to the Board the frequency of the Say on Pay Vote, taking into account the results of the most recent shareholder advisory vote on frequency of Say on Pay Votes required by Section 14A of the Exchange Act, and review and approve the proposals regarding the Say on Pay Vote and the frequency of the Say on Pay Vote to be included in the Company's proxy statement.

8. **Annual Performance Review.** Evaluate the Committee's performance on an annual basis, including compliance by the Committee with this Charter.
9. **Periodic Charter Review.** Periodically review the adequacy of this Charter and recommend any proposed changes to the Board for approval.