

**COMPENSATION COMMITTEE CHARTER**  
**NETWORK-1 TECHNOLOGIES, INC.**

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**A. Purpose**

The Compensation Committee (the “Committee”) of Network-1 Technologies, Inc. (the “Company”) is appointed by the Board of Directors (the “Board”) to assist the Board in carrying out the Board’s responsibilities relating to compensation of the Company’s executive officers and directors. The Committee has overall responsibility for evaluating and approving the officer and director compensation plans, policies and programs of the Company.

The Compensation Committee is also responsible for overseeing the disclosures on executive compensation for inclusion in the Corporation’s annual report and proxy statement, in accordance with applicable rules and regulations.

**B. Committee Membership and Qualifications**

The Committee shall be comprised of no fewer than two members of the Board. Each member of the Committee shall qualify as an independent director under criteria established by the NYSE MKT LLC (which independence criteria has previously been adopted by the Board). Each member of the Committee shall also satisfy the independence requirements set forth for “non-employee directors” under 16b-3 of the Securities Exchange Act of 1933 and as “outside directors” under 162(m) of the Internal Revenue Code.

Committee members shall be appointed by the Board. The Board may, at any time, remove any member of the Committee and fill the vacancy created by such removal based upon recommendation of the Nominating and Corporate Governance Committee. The Committee’s chairperson shall be appointed by the Board. A member shall promptly notify the Committee and the Board if the member is no longer an Independent Director and such member shall be removed from the Committee unless the Board determines that an exception to the Independent Director requirement is available under the NYSE Amex rules with respect to such member’s continued membership on the Committee.

**C. Committee Authority and Responsibilities**

The following shall be the principal recurring responsibilities of the Committee. These responsibilities are set forth as a guide, with the understanding that the Committee may alter or supplement them as appropriate to enable the Committee to carry out its duties, to the extent permitted by applicable laws and listing standards.

*Compensation of Chief Executive Officer*

1. The Committee shall determine all compensation for the Chief Executive Officer, including incentive-based and equity-based compensation.

The Committee shall review and approve corporate goals relevant to the compensation of the Chief Executive Officer (including annual bonus criteria in accordance with the Chief Executive Officer's employment agreement) and evaluate the Chief Executive Officer's performance in light of these goals and objectives.

*Other Compensation*

2. The Committee shall review and approve salaries, incentive and equity awards for the Company's executive officers.
3. The Committee shall review and approve incentive-based or equity-based compensation plans in which the Company's executive officers participate, including, without limitation, the appointment of any fiduciaries for such plans subject to the Employee Retirement Income Security Act of 1974 (ERISA) as well as at least an annual review of such fiduciaries.
4. The Committee shall approve all employment, severance, or change-in-control agreements, special or supplemental benefits, or provisions including the same, applicable to executive officers.
5. Based on the current limited number of Company employees, the Committee will review and approve salaries, incentive and equity awards for all employees who have an annualized salary of a minimum of \$150,000 and for all consultants (exclusive of experts for patent litigation) who devote substantially all their time to the Company for more than 6 months and who are compensated on an annualized basis at a minimum of \$150,000.
6. The Committee shall review and propose to the Board from time to time changes in director compensation.
7. The Committee shall administer the Company's various stock option or other incentive compensation plans.
8. The Committee shall perform a review and evaluation, at least annually, of the performance of the Committee and its members, including by reviewing the compliance of the Committee with this Charter. In addition, the Committee shall review and reassess, at least annually, the adequacy of this Charter and recommend to the Board any improvements to this Charter that the Committee considers necessary or valuable. The Committee shall conduct such evaluations and reviews in such manner as it deems appropriate.
9. Prepare Committee report for inclusion in the Company's annual proxy statements in accordance with applicable SEC rules and regulations.
10. The Committee shall assess whether compensation policies and procedures create risks likely to have a material adverse effect on the Company.

11. The Committee shall take such other action within the scope of its duties that are in the best interests of the Company and its stockholders, as the Committee shall deem appropriate.
12. The Committee shall perform other duties and responsibilities as may be assigned to the Committee from time to time by the Board.

#### **D. Meetings**

The Committee will meet no less than twice a year. Special meetings may be convened as required. A majority of the members of the Committee shall constitute a quorum for the transaction of business, and, if a quorum is present, any action approved by at least a majority of the members present shall represent the valid action of the Committee. If the Committee consists of two members, valid action may be taken by one member provided that the other member has provided written authority to do so. The chairperson of the Committee will preside at each meeting and, in consultation with the other members of the Committee, will set the frequency and length of each meeting and the agenda of items to be addressed at each meeting. The Committee may form subcommittees and delegate authority to them or to one or more of its members when appropriate. At each regular meeting of the Board held following a meeting, the Committee shall report to the Board regarding the actions, activities and findings of the Committee since the last Board meeting, as well as any recommendations for action by the Board when appropriate.

No executive officer may be present during voting or deliberations relating to his or her compensation.

#### **E. Committee Resources**

The Committee shall have the authority to obtain advice and seek assistance from consultants, legal counsel, accounting or other advisors as appropriate to perform its duties hereunder and to determine the terms, costs and fees for such engagements. Without limitation, the Committee shall have the authority to retain or terminate any consulting firm used to evaluate director, Chief Executive Officer or other executive compensation, and to determine and approve the terms of engagement the fees and costs for such engagements. The fees and costs of any consultant or advisor engaged by the Committee to assist in it in performing any duties hereunder shall be borne by the Company. The Committee shall select consultants, legal counsel, accounting or other advisors only after conducting an assessment of the independence of such parties and shall continue to assess such independence thereafter.

#### **F. Minutes**

The Committee shall maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.