

Compensation Committee Charter

Purpose

The Compensation Committee (the "Committee") of Sharps Compliance Corp. (the "Company") is appointed by the Board of Directors (the "Board") of the Company to discharge the Board's responsibilities relating to compensation of the Company's Chief Executive Officer (the "CEO") and the Company's other executive officers (collectively, including the CEO, the "Executive Officers"). The Committee has overall responsibility for evaluation and approving all compensation plans, policies and programs of the Company as they affect the Executive Officers.

Committee Membership

The Committee shall consist of no fewer than three (3) members. The members of the Committee shall meet the independence requirements of the NASDAQ Stock Market.

At least three members of the Committee also shall qualify as "outside" directors within the meaning of Internal Revenue Code Section 162(m) and as "non-employee" directors within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, as amended.

The members of the Committee shall be appointed by the Board on the recommendation of the Corporate Governance Committee. One member of the Committee shall be appointed as Committee Chairman by the Board. Committee members may be replaced by the Board at any time.

Meetings and Procedure

The Committee shall meet as often as necessary to carry out its responsibilities, but no less than twice per year. The Committee Chairman shall preside at each meeting. In the event the Committee Chairman is not present at a meeting, the Committee members present at that meeting shall designate one of its members as the acting chair of such meeting. The Committee may meet in person or by telephone or similar communications equipment.

Committee Responsibilities and Authority

- The Committee shall, at least annually, review and approve the performance, annual base salaries and annual incentive opportunities of the Executive Officers. The CEO will report to the Committee an evaluation of executive performance and a recommendation regarding salary and other remuneration for the Executive Officers. In evaluating and determining Executive Officer compensation, 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 Securities Exchange Act. The CEO shall not be present during any Committee deliberations or voting with respect to his or her compensation.

- The Committee shall, periodically and as and when appropriate, review and approve the following as they affect the Executive Officers: (a) all other incentive awards and opportunities, including both cash-based and equity-based awards and opportunities; (b) any employment agreements and severance arrangements; (c) any change-in-control agreements and change-in-control provisions affecting any elements of compensation and benefits; and (d) any special or supplemental compensation and benefits for the Executive Officers and individuals who formerly served as Executive Officers, including supplemental retirement benefits and the perquisites provided to them during and after employment.
- The Committee shall approve the Compensation Discussion and Analysis (the “CD&A”), if required, for inclusion in the Company’s proxy statement and annual report on Form 10-K by the rules and regulations of the Securities and Exchange Commission (the “SEC”).
- The Committee shall review and approve the annual Compensation Committee Report, if required, for inclusion in the Company’s proxy statement in compliance with the rules and regulations promulgated by the SEC.
- The Committee shall monitor the Company’s compliance with the requirements under the Sarbanes-Oxley Act of 2002 relating to loans to directors and officers, and with all other applicable laws affecting employee compensation and benefits.
- The Committee shall oversee the Company’s compliance with SEC rules and regulations regarding shareholder approval of certain executive compensation matters and plans, including advisory votes on executive compensation and the frequency of such votes, and the requirement under the NASDAQ rules that, with limited exceptions, shareholders approve equity compensation plans.
- The Committee shall periodically review and report to the Board on the performance of the Committee.
- The Committee shall have the authority, in its sole discretion, to retain and terminate (or obtain the advice of) any adviser (including compensation consultants or legal counsel) to assist it in the performance of its duties, but only after taking into consideration factors relevant to the adviser’s independence specified in NASDAQ Listing Rule 5605(d)(3). The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any adviser retained by the Committee, and shall have sole authority to approve the adviser’s fees and the other terms and conditions of the advisers’ retention. The Company must provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to any adviser retained by the Committee. Management and the Committee shall review and approve the Company’s peer group used by an adviser retained by the Committee.
- If required, the Committee shall review the Company’s incentive compensation arrangements to determine whether they encourage excessive risk-taking, review and discuss at least annually the relationship between risk management policies and practices and compensation, and evaluate compensation policies and practices that could mitigate any such risk.
- The Committee may form and delegate authority to subcommittees as it deems appropriate.

- The Committee shall review and reassess the adequacy of this Charter annually and shall recommend any proposed changes to the Board of Directors for approval.

As Revised: March 31, 2021.