

CAPNIA, INC.

COMPENSATION COMMITTEE CHARTER

Adopted June 27, 2014 and effective as of
the closing of the Company's initial public offering

PURPOSE

The purpose of the Compensation Committee (the "**Committee**") of the Board of Directors (the "**Board**") of Capnia, Inc. (the "**Company**") shall be to discharge the Board's responsibilities relating to compensation of the Company's executive officers. The Committee has overall responsibility for evaluating and approving the executive officer compensation plans, policies and programs of the Company, and specifically relating to the compensation of the Company's Chief Executive Officer (the "**CEO**").

The Committee is also responsible for administering the Company's various equity-based plans and the issuance of stock options and other stock-related awards not granted pursuant to a plan, and for producing an annual report on executive compensation for inclusion in the Company's Proxy Statement (as required under the rules and regulations of the Securities and Exchange Commission (the "**SEC**")).

The Committee shall also provide oversight of the Company's general compensation policies, plans and benefit programs.

COMMITTEE MEMBERSHIP AND ORGANIZATION

The Committee and its chairperson will be appointed by, and will serve by designation and at the discretion of, the Board. The Committee shall consist of at least two members of the Board. The members of the Committee shall meet the (i) independence requirements of the listing standards of the Nasdaq Stock Market ("**Nasdaq**") as defined under applicable Nasdaq rules, (ii) non-employee director definition of Rule 16b-3 promulgated under Section 16 of the Securities Exchange Act of 1934, as amended (the "**Act**"), and (iii) outside director definition of Section 162(m) of the Internal Revenue Code of 1986, as amended.

COMMITTEE RESPONSIBILITIES AND AUTHORITY

- The Committee shall initially, and at least annually thereafter, determine the salary, bonus, equity compensation, severance arrangements, change-of-control protections and any other compensatory arrangements (including, without limitation, perquisites and any other form of compensation) of the CEO, based on evaluating his or her performance and other relevant criteria as determined by the Committee. The CEO may not be present during voting or deliberations regarding his or her compensation.
- In consultation with the CEO, the Committee shall initially, and at least annually thereafter, approve the salary, bonus, equity compensation, severance arrangements, change-of-control protections and any other compensatory

arrangements (including, without limitation, perquisites and any other form of compensation) for any individual who is, or is soon expected to be, designated an “officer” of the Company under Rule 16a-1(f) of the Act (an “**Executive Officer**”).

- The Committee shall annually review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval.
- The Committee shall annually review its own performance and report to the Board on the results of the review.
- The Committee shall have the sole authority to retain, oversee and terminate any compensation consultant or other advisor, including external counsel, accounting, or other related advisors, to be used by the Committee. The Committee shall have the sole authority to approve the consultant’s or advisor’s fees, which shall be paid by the Company, and other retention terms. Prior to retaining any such consultant or advisor, as well as on an annual basis, the Committee shall evaluate the independence of such consultant or advisor in accordance with the rules of the SEC and Nasdaq to the extent applicable, and as it otherwise deems appropriate in its sole discretion.
- The Committee shall prepare the Compensation Discussion and Analysis and issue the Committee Report for inclusion in the Company’s Proxy Statement, as required and in accordance with the rules and regulations of the SEC.
- The Committee shall act as Administrator (as defined therein) of the Company’s [2013] Equity Incentive Plan (the “**Plan**”) or any other similar plans. In its administration of the Plan (or plans), the Committee may (i) grant stock options and other equity-based awards to individuals eligible for such grants (including the CEO and Executive Officers but excluding the non-employee members of the Board), and (ii) amend any stock options outstanding under the Plan (or plans). The Committee shall also make recommendations to the Board with respect to amendments to Company equity compensation plans and changes in the number of shares subject to such plans.
- The Committee shall provide oversight of the administration of the Company’s overall employee compensation and benefit plans of the Company, including the Company’s 401(k) plan.
- At least once a year, the Committee will consider stock plans, performance goals and incentive awards, and the overall coverage and composition of the Company’s compensation plans.
- The Committee shall evaluate director compensation, and make recommendations to the Board regarding such compensation.

MEETINGS

It is anticipated that the Committee will meet at least twice each year, but may meet as often as the Committee may be deemed necessary or appropriate, in its judgment, to fulfill its

responsibilities. The Committee may meet either in person or telephonically, and at such times and places as the Committee determines. The Committee may establish its own schedule.

The Committee may invite to its meetings other Board members, Company management and such other persons as the Committee deems appropriate in order to carry out its responsibilities.

MINUTES

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

REPORTS

In addition to preparing the Compensation Discussion and Analysis and the Committee Report in the Company's Proxy Statement in accordance with the rules and regulations of the SEC, the Committee will summarize its examinations and recommendations to the Board as may be appropriate, consistent with the Committee's Charter.

COMPENSATION

Members of the Committee shall receive such compensation, if any, for their service as Committee members as may be determined by the Board in its sole discretion. Such compensation may include retainers or per meeting fees. Compensation may be paid in such form of consideration as is determined by the Board.

Members of the Committee may not receive any compensation from the Company except for (i) the compensation that they receive for service as a member of the Board or any Committee of the Board and (ii) retirement plan compensation to the extent permitted by the applicable rules and regulations of the SEC and Nasdaq.

DELEGATION OF AUTHORITY

The Committee may form and delegate its authority to one or more subcommittees, as it deems appropriate in its sole discretion.

RESOURCES

The Committee is authorized to obtain at the Company's expense data, advice, consultation and documentation as the Committee considers appropriate and to retain at the Company's expense compensation consultants, independent counsel or other advisers selected by the Committee to advise or assist the Committee in the performance of any of the responsibilities and duties set forth above, or for any other matter related to the Committee's purposes.

COMMITTEE ACCESS; RELIANCE ON INFORMATION AND OTHERS

The Committee is at all times authorized to have direct, independent and confidential access to the Company's other directors, executive officers, management and personnel to carry out the Committee's purposes. In discharging his or her responsibilities, a member of the Committee is entitled to rely in good faith on reports or other information provided by the Committee's compensation consultant or other advisor, or the Company's management, legal counsel or

independent auditors, and other persons as to matters the member reasonably believes to be within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company.

Nothing in this Charter is intended to preclude or impair the protection provided under the Delaware General Corporation Law for good faith reliance by members of the Committee on reports, advice or other information provided by others (including reports, advice or other information provided by the Company's management, legal counsel or independent auditors, or independent professional advisers or consultants retained by the Committee).

These policies and procedures are not intended to create inflexible requirements, and are not intended to interpret applicable laws and regulations, or to modify the Company's articles of incorporation or its bylaws.