

## TRANS1 INC.

### COMPENSATION COMMITTEE CHARTER

#### I. Purpose

The Compensation Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) of Trans1 Inc. (the “Company”) to discharge the Board’s responsibilities relating to compensation of the Company’s directors and executive officers. The Committee has the overall responsibility for reviewing, approving and evaluating the compensation plans, policies and programs of the Company. The Committee is also responsible for (i) producing an annual report on executive compensation for inclusion in the Company’s proxy statement and (ii) reviewing and discussing with the Company’s management the Compensation Discussion and Analysis (“CD&A”) to be included in the Company’s proxy statement and determining whether to recommend to the Board that the CD&A be included in the annual proxy statement.

#### II. Composition

Committee members shall be (i) “independent directors” within the meaning of the listing standards of the Nasdaq Stock Market, (ii) “Non-Employee Directors” under Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended, and (iii) qualified “outside directors” under Section 162(m) of the Internal Revenue Code and related regulations, all as amended from time to time. The members of the Committee shall be elected by the Board and serve at its pleasure for such term or terms as it shall determine in its sole discretion.

#### III. Meetings

The Committee shall meet as often as its members deem necessary to perform the Committee’s responsibilities.

#### IV. Authority and Responsibilities

In carrying out its purpose, the Committee shall have the following responsibilities and authority (it being understood that the Committee may condition its approval of any compensation on Board ratification to the extent so required to comply with applicable tax law):

##### A. Executive Compensation.

1. General. Annually Review and recommend to the Board for approval, for the Chief Executive Officer (“CEO”) and the other executive officers of the Corporation, (a) the annual base salary level, (b) the annual incentive opportunity level, (c) the long-term incentive opportunity level, and (d) any special or supplemental benefits. Review and approve employment agreements, severance arrangements, and change in control agreements/provisions, in each case as, when and if appropriate.

2. CEO Compensation. Annually review and recommend to the Board corporate goals and objectives relevant to compensation of the CEO, evaluate the CEO’s performance in light of those goals and objectives, recommend to the Board the CEO’s compensation levels based on this evaluation and administer the compensation plans for the CEO in accordance with applicable laws and regulations

3. Other Executive Officer Compensation. Annually review and recommend to the Board the compensation of all other executive officers, including incentive-compensation plans and other stock-based plans. The Committee shall also administer the executive compensation policies and management incentive programs of the Company.

B. Evaluate Employee Benefit Plans. Review and recommend to the Board any new employee benefit plan or change to an existing plan that creates a material long-term financial commitment by the Company or any subsidiary. The Committee may review periodically the Company's material benefit plans, the appropriateness of the allocation of benefits under such plans, and the extent to which such plans are meeting their intended objectives.

C. Administer Equity Incentive Plans. Review the Company's equity incentive compensation and other stock-based plans and recommend changes in such plans to the Board as determined by the Committee. The Committee shall have, and shall exercise, the authority of the Board with respect to the administration all equity incentive compensation and other stock-based plans.

D. Consult with Management regarding Human Resource Issues. Consult with and seek advice from the Company's senior management concerning the appropriateness and usefulness of the Company's human resource policies and compensation plans, and consult with senior management and other appropriate persons, including external consultants, regarding appropriate human resources planning and incentives for a higher-performing workforce.

E. Compensation Committee Report. Produce an annual report on executive compensation for inclusion in the Company's proxy statement, which report shall comply with applicable laws and regulations.

F. CD&A. Review, discuss with management and approve the CD&A for inclusion in the Company's proxy statement.

G. Delegation of Authority. Form and delegate authority to subcommittees when appropriate.

H. Minutes; Report to Board. Maintain minutes of meetings and periodically report to the Board on significant results of the foregoing activities.

I. Evaluation and Publication of Committee Charter. Review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval.

## **V. Additional Resources**

The Committee shall have the right to use reasonable amounts of time of the Company's internal and independent accountants, internal and outside lawyers and other internal staff and also shall have the right to hire independent compensation experts, lawyers and other consultants to assist and advise the Committee in connection with its responsibilities. The Company will provide for appropriate funding, as determined by the Committee, for payment of compensation to any consulting firm or other advisors employed by the Committee.