

**STEADYMED LTD.**

**CHARTER OF THE COMPENSATION COMMITTEE  
OF THE BOARD OF DIRECTORS**

**APPROVED BY THE BOARD OF DIRECTORS**

**DECEMBER 15, 2014**

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**PURPOSE AND POLICY**

The primary purpose of the Compensation Committee (the “*Committee*”) of the Board of Directors (the “*Board*”) of SteadyMed Ltd. (the “*Company*”) shall be to act on behalf of the Board in fulfilling the Board’s oversight responsibilities with respect to the Company’s compensation policies, plans and programs, and to review and recommend to the Board the compensation to be paid to the Company’s executive officers and directors. In addition, following the Public Effective Date (as defined below) the Committee shall review and discuss with management the Company’s disclosures contained under the caption “Compensation Discussion and Analysis” (“*CD&A*”), when and as required by applicable rules and regulations of the Securities and Exchange Commission (the “*SEC*”) in effect from time to time for use in any of the Company’s annual reports on Form 10-K, registration statements, proxy statements or information statements filed with the SEC and to prepare and review the Committee report on executive compensation included in the Company’s annual proxy statement in accordance with applicable rules and regulations of the SEC in effect from time to time.

The term “compensation” shall include salary, long-term incentives, bonuses, perquisites, equity incentives, severance arrangements, retirement benefits and other related benefits and benefit plans.

The “*Public Effective Date*” shall mean the date on which the Company has become a public reporting company subject to the periodic reporting requirements of the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”), and applicable rules and regulations of the SEC.

**COMPOSITION**

The Committee shall consist of at least three (3) members of the Board. As required under the Israeli Companies Law 5759-1999 (the “*Companies Law*”), the Committee shall include all of the External Directors (as defined in the Companies Law) who shall constitute a majority of the members of the Committee. In accordance with the Companies Law, the Committee may not include the chairman of the Board, a controlling shareholder of the Company, a relative of a controlling shareholder, a director employed by the Company or who provides services on a regular basis to the Company, to a controlling shareholder or to an entity controlled by a controlling shareholder, or a director who derives most of his or her income from a controlling shareholder. Each member of the Committee who is not an External Director must be a director whose compensation does not exceed an amount that may be paid to an External Director under regulations promulgated under the Companies Law. In addition, pursuant and subject to the Companies Law, the Committee shall consist of a majority of Unaffiliated Directors (as defined in the Companies Law).

Following the Public Effective Date, all members of the Committee shall satisfy (i) the independence requirements imposed by any stock exchange on which any of the Company’s capital stock is listed as applicable to compensation committee members, as in effect from time to time, when and as required, including any exceptions permitted by these requirements, (ii) any other qualifications

determined by the Board or the Nominating and Corporate Governance Committee of the Board from time to time, (iii) unless otherwise approved by the Board, the “non-employee director” standard within the meaning of Rule 16b-3 promulgated under the Exchange Act, (iii) unless otherwise approved by the Board, the “outside director” standard within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended (the “Code”), and (iv) any other requirements imposed by applicable law. The members of the Committee shall be appointed by and serve at the discretion of the Board. Vacancies occurring on the Committee shall be filled by the Board. The Committee’s chairperson shall be an External Director of the Company, designated by the Board.

## **MEETINGS AND MINUTES**

The Committee shall hold such regular or special meetings as its members shall deem necessary or appropriate, or as requested under the provisions of the Companies Law. Minutes of each meeting of the Committee shall be prepared and distributed to each director of the Company and the Secretary of the Company promptly after each meeting. The chairperson of the Committee shall report to the Board from time to time and whenever requested to do so by the Board.

## **AUTHORITY**

The Committee shall have access to all books, records, facilities and personnel of the Company as deemed necessary or appropriate by any member of the Committee to discharge his or her responsibilities hereunder, including human resources personnel preparing the CD&A for inclusion in the Company’s filings with the SEC following the Public Effective Date. For the purpose of performing his functions, a director may, in special cases, receive professional advice at the Company’s expense, if coverage of the expense is approved by the Board or by the court. The Committee shall also have authority to pay, at the expense of the Company, ordinary administrative expenses (including expenditures for external resources) that the Committee deems necessary or appropriate in carrying out its duties. Except as limited by applicable law, rules and regulations, the Committee shall have authority to require that any of the Company’s personnel, counsel, accountants or investment bankers, or any other consultant or advisor to the Company, attend any meeting of the Committee or meet with any member of the Committee or any of its special, outside legal, accounting or other, advisors or consultants.

Subject to the approval of the Board, and to the extent allowed under the Companies Law, the Committee may form and delegate authority to a subcommittee to comply with Section 162(m) of the Code. The operation of the Committee shall be subject to the Articles of Association of the Company as in effect from time to time, and the Companies Law.

## **RESPONSIBILITIES**

To implement the Committee’s purpose, the Committee shall have the following responsibilities. The Committee may supplement and, except as otherwise required by applicable law or the requirements of any stock exchange on which any of the Company’s capital stock is listed, deviate from these activities as appropriate under the circumstances:

**1. Overall Compensation Strategy.** The Committee shall review, modify (as needed), and recommend to the Board for its approval (no less frequently than once every three years) the overall compensation strategy and policies for the Company, including:

- evaluating and reviewing compensation in light of prior compensation agreements, education, skills, expertise, accomplishments, performance, roles and responsibilities;

- reviewing and approving corporate performance goals and objectives relevant to the compensation of the Company's executive officers and other senior management, as appropriate;
- evaluating and recommending the compensation plans and programs advisable for the Company, as well as evaluating and recommending the termination of existing plans and programs;
- recommending to establish policies with respect to equity compensation arrangements;
- reviewing and recommending the terms of any employment agreements, severance arrangements, change-of-control protections and any other compensatory arrangements (including, without limitation, perquisites and any other form of compensation) for the Company's executive officers and, as appropriate, other senior management;
- recommending to the Board to approve any loans by the Company to employees; and
- reviewing the Company's practices and policies of employee compensation as they relate to risk management and risk-taking incentives, to determine whether such compensation policies and practices are reasonably likely to have a material adverse effect on the Company.

**2. Compensation of Chief Executive Officer.** The Committee shall recommend to the Board for determination and approval the compensation and other terms of employment of the Company's Chief Executive Officer and shall evaluate the Chief Executive Officer's performance in light of relevant corporate performance goals and objectives. Following Board approval of the Chief Executive Officer's compensation and subject to any shareholder approval that may be required by the Companies Law, the Committee shall have the authority to make grants and awards to the Chief Executive Officer that are consistent with and pursuant to such Board approval. However, if the shareholders of the Company do not approve a compensation arrangement with the Company's Chief Executive Officer, the Committee and the Board may, in special circumstances, override the shareholders' decision. In special circumstances, the Committee and the Board may approve compensation terms of a Chief Executive Officer that are inconsistent with the Company's compensation policy provided that they have considered the same considerations and matters required for the approval of a compensation policy in accordance with the Companies Law.

Following the Public Effective Date, the Chief Executive Officer may not be present during the voting or deliberations regarding his or her compensation.

**3. Compensation of Other Executive Officers and Senior Management.** The Committee shall review the individual and corporate performance goals and objectives of the Company's other executive officers (as that term is defined in Section 16 of the Exchange Act and Rule 16a-1 thereunder or under the Companies Law) and other senior management, as appropriate, that are periodically established. The Committee shall recommend to the Board all elements of the compensation and other terms of employment of these executive officers and other senior management, as appropriate, taking into consideration the person's success in achieving his or her individual performance goals and objectives and the corporate performance goals and objectives deemed relevant to the person as established by the Committee.

**4. Compensation of Directors.** The Committee shall review and recommend to the Board the type and amount of compensation to be paid or awarded to Board members, including any consulting, retainer, Board meeting, committee and committee chair fees and stock option grants or awards. Compensation of an External Director shall be determined prior to appointment and may not be changed during the director's term, subject to certain exceptions provided for in the Companies Law. The compensation of an Office Holder (as such term is defined in the Companies Law) who is not a director requires approval first by the Committee, then by the Board, provided it is consistent with the Company's compensation policy. In special circumstances, the Committee and the Board may approve a compensation arrangement that is inconsistent with the Company's compensation policy, provided that they have considered the same considerations and matters required for the approval of a compensation policy in accordance with the Companies Law. Such arrangement must also be approved by a Special Approval for Compensation (as defined below). However, if the shareholders of the Company do not approve a compensation arrangement with an Office Holder who is not a director that is inconsistent with the Company's compensation policy, the Committee and the Board may, in special circumstances, override the shareholders' decision.

A Special Approval for Compensation requires shareholder approval by a majority vote of the shares present and voting at a meeting of shareholders called for such purpose, provided that either: (a) such majority includes at least a majority of the shares held by all shareholders who are not controlling shareholders and do not have a personal interest in such compensation arrangement; or (b) the total number of shares of non-controlling shareholders and shareholders who do not have a personal interest in the compensation arrangement and who vote against the arrangement does not exceed 2% of the Company's aggregate voting rights. Under the Companies Law, subject to certain conditions, the Board may adopt the compensation policy even if it is not approved by the shareholders.

**5. Selection of Compensation Consultants, Independent Legal Counsel and Other Advisors.** Subject to the Board approval, the Committee shall have direct responsibility for the appointment, compensation and oversight of the work of compensation consultants engaged for the purpose of advising the Committee. Such compensation consultants shall report directly, and be accountable, to the Committee. The Committee may select compensation consultants only after assessing the independence of such person in accordance with the requirements of any stock exchange on which any of the Company's capital stock is listed.

**6. Administration of Benefit Plans.** To the extent allowed by applicable law and the relevant plan, the Committee shall have full power and authority to administer the Company's stock option plans, stock appreciation rights plans, pension and profit sharing plans, incentive plans, stock bonus plans, stock purchase plans, bonus plans, deferred compensation plans and sub-plans thereof and similar programs. Subject to limitations set forth in the Companies Law, the Committee shall have full power and authority to establish guidelines, interpret plan documents, recommend participants, approve modifications to awards, and exercise such other power and authority as shall be delegated by the Board in accordance with the Companies Law. Notwithstanding the foregoing, the Board shall retain the right to act on all such matters without limiting the Committee's authority, subject to compliance with applicable laws and regulations.

**7. Compensation Discussion and Analysis.** When and as required by applicable rules and regulations of the SEC in effect from time to time, the Committee shall review and discuss with management the Company's disclosures contained under the caption "Compensation Discussion and Analysis" for inclusion in any of the Company's annual reports on Form 10-K, registration statements, proxy statements or information statements and determine whether to recommend to the Board that the CD&A be approved for inclusion in the Company's annual reports on Form 10-K, registration statements, proxy statements or information statements.

**8. *Conflict of Interest Disclosure.*** The Committee shall review and discuss with management any conflicts of interest raised by the work of a compensation consultant retained by the Committee or management and how such conflict is being addressed, and prepare any necessary disclosure in the Company's annual proxy statement in accordance with applicable SEC rules and regulations.

**9. *Management Succession.*** The Committee shall periodically review with the Chief Executive Officer the plans for succession for the Company's executive officers, as it sees fit, and make recommendations to the Board with respect to the selection of appropriate individuals to succeed these positions.

**10. *Committee Report.*** Following the Public Effective Date, the Committee shall prepare and review the Committee report on executive compensation to be included in the Company's annual proxy statement in accordance with applicable SEC rules and regulations.

**11. *Committee Self-Assessment.*** Following the Public Effective Date, the Committee shall review, discuss and assess its own performance at least annually. The Committee shall also periodically review and assess the adequacy of this charter and shall recommend any proposed changes to the Board for its consideration.

**12. *General Authority.*** The Committee shall perform such other functions and have such other powers as may be necessary or appropriate in the discharge of any of the foregoing, all in accordance with applicable law.