

**ARCTURUS THERAPEUTICS LTD.  
CHARTER OF THE COMPENSATION COMMITTEE  
OF THE BOARD OF DIRECTORS**

*Amended and Restated on June 7, 2016*

**PURPOSE:**

The purpose of the Compensation Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Arcturus Therapeutics Ltd. (the “**Company**”) is to recommend to the Board the compensation of the Chief Executive Officer (the “**CEO**”) and the Company’s other executive officers (collectively, including the CEO, the “**Executive Officers**”). In addition, the Committee shall review and evaluate the compensation plans, policies and programs of the Company, and make recommendations to the Board and shareholders of the Company relating to compensation to be provided to directors, and, if applicable, Executive Officers and other matters as required under the Israeli Companies Law, 5759-1999 (the “**Companies Law**”).

The Committee has the authority to undertake the specific duties and responsibilities listed below and will have the authority to undertake such other specific duties as the Board from time to time prescribes, subject to the limitations of Section 112 of the Companies Law.

**MEMBERSHIP:**

The Committee will be appointed by, and will serve at the discretion of, the Board. The Committee shall consist of as many members as the Board shall determine, but in any event no fewer than three (3) members. All members of the Committee must also be Board members

Qualifications. The members of the Committee shall meet the requirements of Nasdaq Listing Rule 5605(d), under which they must meet the independence requirements of Nasdaq Listing Rule 5605(a)(2), as amended from time to time. In addition, in affirmatively determining the independence of any director who will serve on the Committee, the Board must consider all factors specifically relevant to determining whether a director has a relationship to the Company which is material to that director’s ability to be independent from managements in connection with the duties of a Committee member, including, but not limited to the source of compensation of such director, including any consulting, advisory or other compensatory fee from the Company or any subsidiary thereof (“**Compensatory Fee**”) and whether such director is affiliated with the Company, a subsidiary of the Company or an affiliate of a subsidiary of the Company. Compensatory Fees shall not include: (A) fees received as a member of the Committee, the Board or any other Board committee; or (B) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the Company (provided that such compensation is not contingent in any way on continued service).

Chairman. The Chairman of the Committee shall be appointed by the Committee members.

Removal and Replacement. The members of the Committee may be removed or replaced, and any vacancies on the Committee shall be filled by the Board.

**OPERATIONS**

1. Meetings. The Committee shall meet as often as necessary to carry out its responsibilities. 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.
2. Quorum. A majority of the Committee members shall constitute a quorum. The action of a majority of those present at a meeting, at which a quorum is present, shall be the act of the Committee.
3. Agenda. The Chairman of the Committee shall develop and set the Committee's agenda, in consultation with other members of the Committee, the Board and Company management. The agenda and information concerning the business to be conducted at each Committee meeting shall, to the extent practicable, be communicated to the members of the Committee sufficiently in advance of each meeting to permit meaningful review.
4. Report to Board. The Committee shall report regularly to the entire Board and shall submit to the Board the minutes of its meetings. Any decisions or recommendations made by the Committee and requiring the Board's approval shall be communicated to the members of the Board sufficiently in advance before the Board's meeting in order to permit meaningful review. In the event of any extraordinary and material findings within the scope of the Committee's duties, the chairman of the Committee shall without delay inform the chairman of the Board of such findings.
5. Assessment of Charter. The Committee shall assess the adequacy of this charter on an annual basis and recommend any changes to the Board.

## **AUTHORITY AND DUTIES**

1. Without derogating from the Committee's obligations under the Companies Law, the Committee shall, from time to time, review and recommend to the Board, for the Executive Officers (a) the annual base compensation as employee or other structure of engagement, (b) the annual incentive bonus, including the specific goals and amount, (c) all other incentive awards and opportunities, including both cash-based and equity-based awards and opportunities, (d) equity compensation, (e) employment agreements and severance arrangements, (f) any change in control agreements and change-in-control provisions affecting any elements of compensation and benefits, and (g) any other special or supplemental benefits, compensation, compensation policies or arrangements 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. In reviewing and recommending such matters, the Committee shall consider such matters as it deems appropriate, including the Company's financial and operating performance, the alignment of the interests of the Executive Officers and the Company's shareholders, the performance of the Company's ordinary shares and the Company's ability to attract and retain qualified individuals.
2. The Committee shall review and make recommendations to the Board regarding the compensation policy for such other officers of the Company as directed by the Board.

3. The Committee shall recommend a compensation philosophy and plan to the Board, and shall recommend once every three years regarding the prolongation of the Company's compensation plan, if such was established for a period exceeding three years. In recommending such matters, the Committee shall consider and refer to the following criteria, in accordance with the Companies Law: (a) the Executive Officer's education, skills, expertise, professional experience and achievements, (b) the Executive Officer's position, responsibilities and his or her previous compensation arrangements, (c) the ratio between the Executive Officer's office and employment terms and the salary of other Company employees and contractors, and in particular the ratio between the average salary and the median salary of such employees and the effect of differences between such on work relations in the Company ("contractors " and "salary"- as defined in the Companies Law), (d) if office and employment terms include variable components- the possibility of reducing such variable components at the discretion of the Board and the possibility of setting a limit to the realizable value of variable components of equity which are non-cash disposed, (e) if office and employment terms include a severance arrangement- the officer's term of office or employment, the office and employment terms during this period, the Company's performance during this period, the officer's contribution to achieve Company goals and for maximizing profits and circumstances of retirement.
4. The Committee shall approve the employment terms and compensation of Executive Officers as required under the Companies Law and shall further approve any exemption from the need to obtain shareholders' approval with respect to employment terms and compensation of a potential CEO, in accordance with the Companies Law. Pursuant to Nasdaq rules, the CEO may not be present during voting or deliberations by the Committee on his or her compensation.
5. The Committee shall oversee the Company's compliance with Securities and Exchange Committee rules and regulations regarding shareholder approval of certain executive compensation matters, including advisory votes on executive compensation and the frequency of such votes.
6. The Committee shall review director compensation levels and practices, and recommend, from time to time, changes in such compensation levels and practices to the Board of Directors.
7. The Committee may, in its sole discretion, retain or obtain the advice of a compensation consultant, legal counsel or other adviser and shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, legal counsel and other adviser retained by the Committee. The Committee shall have sole authority to approve the payment of reasonable compensation to a compensation consultant, legal counsel or other adviser retained by the Committee, and other retention terms, and the Company shall provide for the funding for such compensation. Subject to the foregoing authority, the Committee may select, or receive advice from a compensation consultant, legal counsel or other adviser to the Committee (other than in-house legal counsel) only after taking into consideration the factors regarding independence assessments of compensation advisers specified in the Nasdaq Listing Rules, as amended from time to time, which factors are, as of the date of adoption of this charter, as follows:

- (a) The provision of other services to the Company by the person that employs the compensation consultant, legal counsel or other adviser;
- (b) The amount of fees received from the Company by the person that employs the compensation consultant, legal counsel or other adviser, as a percentage of the total revenues of the person that employs the compensation consultant, legal counsel or other adviser;
- (c) the policies and procedures of the person that employs the compensation consultant, legal counsel or other adviser that are designed to prevent conflicts of interest;
- (d) any business or personal relationship of the compensation consultant, legal counsel or other adviser with a member of the Committee;
- (e) any stock of the Company owned by the compensation consultant, legal counsel or other adviser; or
- (f) any business or personal relationship of the compensation consultant, legal counsel or other adviser or the person employing the adviser with an executive officer of Company;

provided, however, that the Committee need not conclude that the compensation consultant, legal counsel or other adviser is independent after considering such factors; and provided, further, that the Committee need not consider such factors if an adviser's role is limited to either (i) consulting on any broad-based plan that does not discriminate in scope, terms, or operation, in favor of executive officers or directors of the Company and is available to all salaried employees of the Company and/or (ii) providing information that either is not customized for the Company or that is customized based on parameters that are not developed by the adviser, and about which the adviser does not provide advice.

8. The Committee may form and delegate authority to subcommittees as it deems appropriate, to the extent permitted under the Companies Law.

**COMPENSATION:**

Members of the Committee may receive compensation for their service as Committee members, subject to the Companies Law.