

BRAINSTORM CELL THERAPEUTICS INC.

GOVERNANCE, NOMINATING AND COMPENSATION COMMITTEE CHARTER

A. Purpose

The purpose of the Governance, Nominating and Compensation Committee (the “Committee”) is to assist the Board of Directors of the Company in fulfilling its responsibilities by:

- monitoring compliance with and periodically reviewing the Company’s Corporate Governance Guidelines;
- overseeing the annual evaluation of the Board of Directors and the Company’s management;
- assisting the Board of Directors in identifying individuals qualified to become members of the Board of Directors;
- recommending to the Board of Directors the persons to be nominated by the Board of Directors for election as directors at any properly convened meeting of stockholders;
- discharging the responsibilities of the Board of Directors relating to compensation of the Company’s executive officers; and
- administering the Company’s incentive compensation and stock plans.

For the purposes of this Charter, any reference to any statute, law, rule or regulation shall include any successor provision thereto.

B. Structure and Membership

1. Number. The Committee shall consist of at least three members of the Board of Directors.
2. Independence. Except as otherwise permitted by the applicable rules of NASDAQ, each member of the Committee shall be an “independent director” as defined by such rules.
3. Chair. Unless the Board of Directors elects a Chair of the Committee, the Committee shall elect a Chair by majority vote.
4. Compensation. The compensation of Committee members shall be as determined by the Board of Directors.
5. Selection and Removal. Members of the Committee shall be selected and appointed by the Board of Directors. The Board of Directors may remove

members of the Committee from such committee, with or without cause. Resignation or removal of a director from the Board, for whatever reason, shall automatically and without any further action constitute resignation or removal, as applicable, from the Committee. Any member of the Committee may resign by delivering his or her written resignation to the Company at its principal office or to the Chair of the Committee. Such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the happening of some other event. Any vacancy on the Committee, occurring for whatever reason, may be filled only by the Board.

C. **Authority and Responsibilities**

General

The Committee shall discharge its responsibilities, and shall assess the information provided by the Company's management, in accordance with its business judgment.

Corporate Governance Matters

1. **Corporate Governance Guidelines.** The Committee shall periodically, but not less than annually, review and assess the adequacy of the Company's Corporate Governance Guidelines. The Committee shall recommend any amendments to the Corporate Governance Guidelines to the Board of Directors for approval.
2. **Policy Governing Director Nominations and Stockholder-Board of Directors Communications.** Periodically, the Committee shall review the Company's Shareholder Nominations and Communications Policy (the "Policy") in light of the rules and requirements promulgated by NASDAQ, the SEC and any other governmental or regulatory authority to which the Company is subject. The Committee shall recommend any proposed changes to the Policy to the Board of Directors for approval. The Company will disclose any material changes to the Policy in the Company's filings with the SEC as may be required.
3. **Corporate Governance Requirements.** The Committee shall periodically, but not less than annually, review the Company's compliance with the corporate governance requirements of the SEC and NASDAQ and report to the Board the results of such review, including any actions recommended by the Committee with respect to compliance with such requirements.
4. **Annual Evaluation of the Board of Directors and Committees.** The Committee shall oversee an annual self-evaluation by the Board of Directors to determine whether the Board of Directors is functioning effectively. The Committee shall determine the nature of the evaluation, supervise the conduct of the evaluation and prepare an assessment of the Board of Directors' performance to be discussed with the Board of Directors. The Committee shall oversee a similar self-evaluation by each committee.
5. **Evaluation of Senior Executives.** The Committee shall periodically, but not less than annually, conduct an evaluation of the Company's senior executives. The Committee shall, except with respect to the Company's senior financial

executives, conduct the evaluation and prepare assessments of the performance of the Company's senior executives, to be discussed with the Board of Directors. With respect to the Company's senior executives, the Committee shall, together with the Audit Committee, determine the nature and frequency of the evaluation and the persons subject to the evaluation.

6. Review of Stockholder Proposals. The Committee shall review all stockholder proposals submitted to the Company, including any proposal relating to candidates for nominations to the Board of Directors, and the timeliness of the submission thereof and recommend to the Board of Directors appropriate action on each such proposal.
7. Succession Planning. The Committee shall present an annual report to the Board of Directors on succession planning, which shall include suggestions for transitional Board of Directors and senior executive leadership in the event of an unplanned vacancy. In the event of a vacancy in the office of Chief Executive Officer or Chief Financial Officer, the Committee shall assist the Board of Directors in identifying and evaluating potential successors to the vacant office.
8. Former Chief Executive Officer's Board of Directors Membership. Upon the resignation or removal from office, for any reason, of the Chief Executive Officer who is also a member of the Board of Directors, the Committee shall have the power, in its discretion based upon the facts and circumstances of each case, to request that such former Chief Executive Officer resign from the Board of Directors effective upon the resignation or removal of such individual from the position of Chief Executive Officer.

Director Nomination Matters

1. Selection of Director Nominees. Except where the Company is legally required by contract, its Certificate of Incorporation, as they may be amended or restated from time to time (the "Certificate"), its By-Laws, as they may be amended or restated from time to time (the "By-Laws"), or otherwise to provide third parties with the ability to nominate directors, the Committee shall have sole responsibility and authority for identifying and recommending to the Board of Directors (i) any person(s) to be nominated by the Board of Directors for election to the position of director at the annual or other properly convened meeting of stockholders and (ii) any person(s) to be elected by the Board of Directors or to be nominated by the Board of Directors for election by stockholders in accordance with the Company's By-Laws to fill any vacancies on the Board of Directors, each in accordance with the Corporate Governance Guidelines.
2. Criteria for Selecting Director Nominees. The Committee shall use the criteria set forth in the Corporate Governance Guidelines to guide its process in identifying individuals for recommendation to the Board of Directors for nomination for election to the position of director. The Committee shall periodically review and reassess the adequacy of the Corporate Governance Guidelines and recommend any proposed changes to the Board of Directors for approval.

3. Annual Evaluation of Board of Directors Composition. On an annual basis, the Committee shall review the composition and size of the Board of Directors to ensure that the backgrounds and qualifications of directors considered as a group should provide a significant breadth of experience, knowledge and abilities that shall assist the Board of Directors in fulfilling its responsibilities.
4. Evaluation of Directors Nominated for Re-election. The re-nomination of existing directors should not be viewed as automatic. Except where the Company is legally required by contract, its Certificate, its By-Laws or otherwise to provide third parties with the ability to nominate directors for re-election, the Committee shall evaluate the performance of any existing directors proposed for nomination for re-election and such directors' continuing qualification under the criteria for director nominees set forth in the Corporate Governance Guidelines. The Committee shall also consider the existing directors' past attendance at meetings and participation in and contributions to the activities of the Board of Directors and any committee.
5. Search Firms. The Committee shall have the authority to retain, oversee and terminate any search firm to be used to identify director nominees, including the authority to approve the search firm's fees and other retention terms, with consideration given to the Company's financial condition and budgetary process. The Committee is empowered, without further action by the Board of Directors, to cause the Company to pay the compensation of any search firm engaged by the Committee.
6. Committee Composition. The Committee shall recommend directors to the Board of Directors for selection to serve on the committees of the Board of Directors. Consideration shall be given to rotating memberships on the committees of the Board of Directors and the chairmanship of each committee. Nonetheless, there may be valid considerations for extending the tenure of a member or chairman thereof.

Compensation Matters

1. CEO Compensation. The Committee shall annually review and approve corporate goals and objectives relevant to the compensation of the Company's Chief Executive Officer (the "CEO"), evaluate the CEO's performance in light of those goals and objectives, and set the CEO's compensation level based on this evaluation.
2. Executive Officer Compensation. The Committee shall review and approve executive officer (including CEO) compensation, including salary, bonus and incentive compensation levels; deferred compensation; executive perquisites; equity compensation (including awards to induce employment); severance arrangements; change-in-control benefits and other forms of executive officer compensation. The Committee shall meet without the presence of executive officers when approving or deliberating on executive officer compensation but the Committee may, in its discretion, invite the CEO to be present during the

approval of, or deliberations with respect to, other executive officer compensation.

3. Plan Recommendations and Approvals. The Committee shall periodically review and make recommendations to the Board of Directors with respect to incentive-compensation plans and equity-based plans.
4. Incentive Plan Administration. The Committee shall exercise all rights, authority and functions of the Board of Directors under all of the Company's stock option, stock incentive, employee stock purchase and other equity-based plans, including without limitation, the authority to interpret the terms thereof, to grant options thereunder and to make stock awards thereunder; provided, however, that, except as otherwise expressly authorized to do so by a plan or resolution of the Board of Directors, the Committee shall not be authorized to amend any such plan. To the extent permitted by applicable law and the provisions of a given equity-based plan, and consistent with the requirements of applicable law and such equity-based plan, the Committee may delegate to one or more executive officers of the Company the power to grant options or other stock awards pursuant to such equity-based plan to employees of the Company or any subsidiary of the Company who are not directors or executive officers of the Company.
5. Director Compensation. The Committee shall periodically review and make recommendations to the Board of Directors with respect to director compensation.
6. Committee Report on Executive Compensation. The Committee shall prepare for inclusion where necessary in a proxy or information statement of the Company relating to an annual meeting or other properly convened meeting of security holders at which directors are to be elected (or special meeting or written consents in lieu of such meeting), the report described in Items 407(e) of Regulation S-K.
7. Additional Powers. The Committee shall take such other action with respect to compensation matters as may be delegated from time to time by the Board of Directors.

D. Procedures and Administration

1. Meetings. The Committee shall meet at least three (3) times each year, and otherwise as often as it deems necessary in order to perform its responsibilities. The Committee may also act by unanimous written consent in lieu of a meeting. The Committee shall keep such records of its meetings as it shall deem appropriate.
2. Quorum and Action at Meetings. A majority of the members of the Committee shall constitute a quorum for purposes of holding and transacting any business at a meeting. At any meeting at which a quorum is present, a majority of members of the Committee present may take any action on behalf of the Committee.
3. Subcommittees. The Committee may form and delegate authority to one or more subcommittees (including a subcommittee consisting of a single member) as it deems appropriate from time to time under the circumstances.

4. Reports to Board. The Committee shall report regularly to the Board of Directors.
5. Charter. The Committee shall periodically review and reassess the adequacy of this Charter and recommend any proposed changes to the Board of Directors for approval.
6. Consulting Arrangements. The Committee shall have the authority to retain and terminate any compensation consultant to be used to assist in the evaluation of executive officer compensation and shall have authority to approve the consultant's fees and other retention terms. The Committee shall also have authority to commission compensation surveys or studies as the need arises. The Committee is empowered, without further action by the Board of Directors, to cause the Company to pay the compensation of such consultants as established by the Committee, with consideration given to the Company's financial condition and budgetary process.
7. Independent Advisors. The Committee shall have the authority, without further action by the Board of Directors, to engage and determine funding for such independent legal, accounting and other advisors as it deems necessary to carry out its responsibilities. Such independent advisors may be the regular advisors to the Company. The Committee is empowered, without further action by the Board of Directors, to cause the Company to pay the compensation of such advisors as established by the Committee, with consideration given to the Company's financial condition and budgetary process.
8. Investigations. The Committee shall have the authority to conduct or authorize investigations into any matters within the scope of its responsibilities as it shall deem appropriate, including the authority to request any officer, employee or advisor of the Company to meet with the Committee or any advisors engaged by the Committee.
9. Annual Self-Evaluation. At least annually, the Committee shall evaluate its own performance and report the results of such evaluation to the Board of Directors.
10. Reliance on Advice and Information. In performing its duties, the Committee shall be entitled to rely upon advice and information that it receives in its discussions and communications with management, the independent auditor and such experts, advisors and professionals as may be consulted by the Committee.

Approved by the Board of Directors of Brainstorm Cell Therapeutics Inc. on June 27, 2011.
