



## **COMPENSATION COMMITTEE CHARTER**

(Amended as of August 21, 2019)

### 1. PURPOSE

The purpose of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Ormat Technologies, Inc. (the “Company”) is to be responsible for the Company’s overall compensation philosophy and assist the Board in its oversight responsibilities with respect to: compensation of the Company’s Chief Executive Officer (“CEO”) and other executive officers (the “Executive Officers”); the Company’s directors; all compensation plans, policies and programs of the Company for the Executive Officers that are subject to Board approval (collectively, “Plans”) and approval of certain matters as set forth in this Charter.

### 2. COMMITTEE COMPOSITION

The Committee shall consist of at least three directors, each of whom meets the independence requirements under the listing standards of the New York Stock Exchange (the “NYSE”). At least two members of the Committee will also qualify as “non-employee directors” within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, as amended.

Committee members, including the chairperson of the Committee (the “Chair”) shall be appointed by the Board based upon the recommendations of the Nominating and Corporate Governance Committee and shall serve until the first meeting of the Board following the Annual Meeting of Shareholders each year and until their successors are elected by a majority vote of the Board, or until their earlier resignation, death or removal, with or without cause, by a majority vote of the Board.

If the Board for any reason fails to appoint a Chair, the Committee will elect a Chair by the affirmative vote of a majority of the full Committee membership.

### 3. MEETINGS AND PROCEDURES

The Committee shall meet as often as it determines necessary to carry out its duties and responsibilities, but not less frequently than annually. The Chair of the Committee, after consultation with the Chief Executive Officer as appropriate, is responsible to set agendas for the Committee meetings, and, when present, will preside over all Committee meetings.

A majority of the members of the Committee will constitute a quorum for the transaction of business. The Committee is authorized to take any permitted action only by the affirmative



vote of a majority of the Committee members at any meeting at which a quorum is present, or, without a meeting, by the unanimous written consent of all Committee members.

Committee meetings may be held in person, by telephone or video conference. Notice of all Committee meetings will be given, and waiver thereof determined, in accordance with the notice and waiver of notice provisions of the By-Laws of the Company as then in effect. The Chair may establish rules as may from time to time be necessary or appropriate for the conduct of the business of the Committee. The Committee will maintain copies of minutes of each Committee meeting and each written consent to action taken without a meeting, reflecting the actions authorized or taken by the Committee. The Chair or secretary of the Company will circulate (A) the meeting agenda and any relevant documentation to the Committee members within a reasonable period in advance of each Committee meeting and (B) the minutes of Committee meetings to the Committee members and the Board on a timely basis thereafter.

All non-management directors that are not members of the Committee may attend meetings of the Committee but may not vote. Additionally, the Committee may invite to its meetings any director, management of the Company and such other persons as it deems appropriate in order to carry out its responsibilities. The Committee may also exclude from its meetings any persons it deems appropriate in order to carry out its responsibilities. The Committee may form subcommittees composed of two or more of its members for any purpose that the Committee deems appropriate and may delegate to such subcommittees such power and authority as the Committee deems appropriate.

The Committee may delegate to one or more officers of the Company the authority to make grants and awards of cash or options or other equity securities to any non-Section 16 officer of the Company under the Company's incentive compensation or other equity-based plans as the Committee deems appropriate and in accordance with the terms of such plan; provided that such delegation is in compliance with the plan and the laws of the state of the Company's jurisdiction. In the event of such delegation, at each meeting of the Committee, the delegated officer(s) shall report to the Committee the awards made since the prior meeting.

#### 4. AUTHORITY

The Board has delegated to the Committee all powers and authority necessary or appropriate for the Committee to fulfill its duties and responsibilities set forth in this Charter. Pursuant to this authority, the Committee may (A) make determinations required to be made by the Committee under the Plans relating to the appropriate operation of the Plans and the distribution of benefits thereunder, and (B) in its sole discretion, retain any compensation consultant, independent legal counsel, financial or other advisers who shall report directly to the Committee, to the extent it deems necessary or appropriate to discharge its duties and responsibilities. The Committee will have the sole authority to retain and terminate (or obtain the advice of) any adviser to study or investigate any matter of interest or concern that the Committee deems appropriate and assist it in the performance of its duties. The Committee



will be directly responsible for the appointment, compensation and oversight of the work of any adviser retained by the Committee.

The Committee shall undertake an independence assessment prior to selecting any compensation consultant, legal counsel or other advisers that will provide advice to the Committee as may be required by the NYSE from time to time. The Committee shall evaluate, on at least an annual basis, whether any work provided by the Committee's compensation consultant raised any conflict of interest. Finally, the Committee shall pre-approve any services to be provided to the Company or its subsidiaries by any of the Committee's compensation consultants.

The Company will provide appropriate funding, as determined by the Committee, for payment of reasonable compensation to any compensation consultant, independent legal counsel or other adviser retained by the Committee, as well as funding for the payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties. The Committee will also have unrestricted access to Company management, employees and records.

## 5. DUTIES AND RESPONSIBILITIES

In furtherance of its purpose and in addition to the duties and responsibilities set forth elsewhere in this Charter, the Committee will:

- A. Annually review and approve corporate goals and objectives relevant to CEO compensation and the compensation of the Executive Officers, and either as a committee or together with other independent directors (as directed by the Board) evaluate the CEO's and the Executive Officers' performance in light of (i) those goals and objectives and (ii) the individual achievements of the CEO and the Executive Officers, and determine and approve, and recommend to the Board to approve, the CEO's and the Executive Officers' annual salary, bonus, equity-based incentive and other benefits, direct and indirect, based on this evaluation, provided that such determination will not result in the Company's breach of any employment agreement. In determining the components of the CEO's and the Executive Officers' compensation, the Committee may consider many factors, including, but not limited to, the Company's performance and relative shareholder return, the value of similar incentive awards to the CEO and executive officers at comparable companies and the awards given by the Company to the CEO and the Executive Officers in past years.
- B. Review and approve the following elements of compensation of the CEO and the Executive Officers: (i) all other incentive awards and opportunities, including cash-based and equity based awards and opportunities, (ii) any employment agreements and severance agreements, (iii) any change-in-control agreements, severance protection plans and change-in-control provisions affecting any elements of compensation and benefits and (iii) any special or supplemental compensation and benefits for the CEO and the Executive Officers.



- C. Review and approve or recommend to the Board to approve, all equity-based awards, including pursuant to the Company's equity-based plans.
- D. Make recommendations to the Board with respect to the adoption, amendment, termination or replacement of incentive-compensation plans, equity-based plans, revenue sharing plans or other Plans maintained by the Company.
- E. Recommend to the Board appropriate compensation for Board members, which may include retainers, committee chair fees, stock options and other similar items.
- F. Review and discuss the Compensation Discussion and Analysis ("CD&A") required by the rules and regulations of the Securities and Exchange Commission (the "SEC") to be included in the Company's annual proxy statement and annual report on Form 10-K with management, and, based on such review and discussion, determine whether or not to recommend to the Board to so include the CD&A.
- G. Prepare and approve annually the compensation committee report required by SEC rules to be included in the Company's annual proxy statement or annual report on Form 10-K.
- H. Oversee the Company's compliance with SEC rules and regulations regarding shareholder approval of certain executive compensation matters, including "say-on-pay" advisory votes and the frequency of such votes, and the requirement under the NYSE listing standards that, subject to limited exceptions, shareholders approve equity compensation plans.
- I. Report regularly to the Board, including:
  - i. following meetings of the Committee, at the following Board meeting, and
  - ii. with respect to such other matters as are relevant to the Committee's discharge of its responsibilities.

The Committee shall provide such recommendations to the Board as the Committee may deem appropriate. The report to the Board may take the form of a written or oral report by the Chair or any other member of the Committee designated by the Committee or its Chair to make such report.

- J. Annually review and reassess the performance of the Committee and the adequacy of this Charter and recommend any proposed changes to the Board.