

**AMENDED AND RESTATED COMPENSATION COMMITTEE CHARTER  
OF THE COMPENSATION COMMITTEE  
OF MELLANOX TECHNOLOGIES, LTD.**

This Amended and Restated Compensation Committee Charter was originally adopted by the Board of Directors (the “*Board*”) of Mellanox Technologies, Ltd., an Israeli company (the “*Company*”), on December 6, 2000, and then most recently amended and restated on January 31, 2017.

**I. Purpose**

The Compensation Committee (the “*Committee*”) of the Board was established by the Board. The primary purpose of the Committee is: (1) to discharge the Board’s responsibilities relating to compensation of the Company’s executive officers, including by designing (in consultation with management or the Board), recommending to the Board for approval, and evaluating the compensation plans, policies and programs of the Company, including recommending to the Board, once every three years beginning in 2013, the approval and implantation of a compensation philosophy and policy (the “*Compensation Policy*”) in accordance with the Israel Companies Law, 1999, as amended from time to time, and the regulations promulgated thereunder (the “*Companies Law*”); (2) pursuant to the requirements of the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”), to produce an annual report on executive compensation for inclusion in the Company’s proxy materials in accordance with applicable rules and regulations; and (3) to review and decide whether to approve transactions of the Company with its officers and directors with respect to their compensation, if such approval by the Committee is required pursuant to the provisions of the Companies Law. The Committee shall ensure that compensation plans, policies and programs are designed to encourage high performance, promote accountability and ensure that employee interests are aligned with the interests of the Company’s shareholders.

In addition to the powers and responsibilities expressly delegated to the Committee in this Charter, the Committee may exercise any other powers and carry out any other responsibilities delegated to it by the Board from time to time consistent with the Company’s Articles of Association, as may be amended from time to time. The powers and responsibilities delegated by the Board to the Committee in this Charter or otherwise shall be exercised and carried out by the Committee as it deems appropriate without requirement of Board approval (unless otherwise required under the Companies Law), and any decision made by the Committee (including any decision to exercise or refrain from exercising any of the powers delegated to the Committee hereunder) shall be at the Committee’s sole discretion. While acting within the scope of the powers and responsibilities delegated to it, the Committee shall have and may exercise all the powers and authority of the Board. To the fullest extent permitted by law, the Committee shall have the power to determine which matters are within the scope of the powers and responsibilities delegated to it.

## **II. Membership**

The Committee shall be composed of at least three directors as determined by the Board. Each member of the Committee shall: (1) satisfy the independence requirements of the Nasdaq Stock Market (“*NASDAQ*”); (2) be a “non-employee director” within the meaning of Rule 16b-3 of the Exchange Act; and, (3) be an “outside director” under the regulations promulgated under Section 162(m) of the Internal Revenue Code of 1986, as amended (the “*Code*”). The members of the Committee, including the Chair of the Committee, shall be appointed by the Board. Subject to the provisions of the Companies Law, Committee members may be removed from the Committee, with or without cause, by the Board. Any action duly taken by the Committee shall be valid and effective, whether or not the members of the Committee at the time of such action are later determined not to have satisfied the requirements for membership provided herein.

## **III. Meetings and Procedures**

The Chair (or in his or her absence, a member designated by the Chair or approved by a majority of the members then meeting) shall preside at each meeting of the Committee and set the agendas for Committee meetings. The Committee shall have the authority to establish its own rules and procedures for notice and conduct of its meetings, so long as they are not inconsistent with any provisions of the Company’s Articles of Association or Companies Law that are applicable to the Committee.

The Committee shall meet on a regularly scheduled basis at least four times per year (in person when feasible) and more frequently as the Committee deems necessary or desirable. The Committee may meet by telephone conference call or by any other means permitted by applicable law and the Articles of Association. In addition, the Committee may take decisions by means of unanimous written consent.

The Committee shall have the sole authority, as it deems appropriate, to retain or replace, as needed, any independent counsel, compensation and benefits consultants and other outside experts or advisors as the Committee believes to be necessary or appropriate. The Committee may also utilize the services of the Company’s regular legal counsel or other advisors to the Company. The Company shall provide for appropriate funding, as determined by the Committee in its sole discretion, for payment of compensation to any such persons retained by the Committee.

The Committee shall keep regular minutes of any meetings where actions are taken (unless such actions are taken and reported to the Committee’s satisfaction in the minutes of the Board meetings). Any such minutes kept by the Committee shall be distributed to each member of the Committee and other members of the Board and the Secretary of the Company. The Chair shall report to the Board following meetings of the Committee and as otherwise requested by the Chairperson of the Board.

Under the Companies Law, compensation of executives and the Board additionally requires Board approval before it is effective. Approval of the Company’s shareholders is also required in the case of the compensation of the Board and the Chief Executive Officer.

#### **IV. Duties and Responsibilities**

1. The Committee shall, at least annually, review the Compensation Policy of the Company and examine the implementation of the Compensation Policy. In addition, the Committee shall recommend to the Board, every three years beginning in 2013, the re-approval of the Compensation Policy, and will ensure that any compensation for officers, the CEO and any director of the Company complies with the provisions of the Compensation Policy.

2. The Committee shall, at least annually, review and approve corporate goals and objectives relating to the compensation of the Chief Executive Officer, evaluate the performance of the Chief Executive Officer in light of those goals and objectives, and shall determine and approve the compensation of the Chief Executive Officer based on such evaluation. The Chief Executive Officer shall not participate in or be present at the Committee's deliberations and determination of his/her compensation.

3. The Committee shall, at least annually, review and approve all compensation for all other officers (as such term is defined in Rule 16a-1, promulgated under the Exchange Act and including officers as defined in the Companies Law), directors, and all other employees who are direct reports to the Chief Executive Officer ("Executive Officers"). The Committee shall review and approve all severance compensation and agreements for Executive Officers and approve new employment agreements to the extent the form of agreement materially deviates from prior approved agreements.

4. The Committee shall oversee and periodically review all annual bonus, long-term incentive compensation, stock option, employee pension and welfare benefit plans including 401(k) plans, employee stock purchase plans, long term incentive plans, management incentive plans and others and with respect to each plan shall have responsibility for:

(i) setting performance targets under all annual bonus and long-term incentive compensation plans as appropriate and committing to writing any and all performance targets for all Executive Officers who may be "covered employees" under Section 162(m) of the Code within the first 90 days of the performance period to which such target relates or, if shorter, within the period provided by Section 162(m) of the Code in order for such target to be "pre-established" within the meaning of Section 162(m);

(ii) to the extent the Company adopts any performance-based equity compensation plan(s), certifying that any and all performance targets used for any such plan(s) have been met before payment of any executive bonus or compensation or exercise of any executive award granted under any such plan(s);

(iii) approving all amendments to, and terminations of, all compensation plans and any awards under such plans;

(iv) granting any awards under any performance-based annual bonus, long-term incentive compensation and equity compensation plans to Executive Officers or current employees named as a successor to the CEO or an Executive Officer, including stock options and other equity rights (*e.g.*, restricted stock or stock purchase rights); and

- (vii) repurchasing securities from terminated employees, if desired.

All periodic plan reviews should include reviewing the plan's administrative costs, reviewing current plan features relative to any proposed new features, and assessing the performance of the plan's internal and external administrators if any duties have been delegated.

5. The Committee shall establish and periodically review policies concerning perquisite benefits.

6. The Committee shall periodically review the need for a Company policy regarding compensation paid to the Company's Executive Officers in excess of limits deductible under Section 162(m) of the Code.

7. The Committee shall determine the Company's policy with respect to change of control or "parachute" payments.

8. The Committee shall periodically review Board compensation and recommend Board compensation to the Board for approval and submission to shareholders for approval.

9. The Committee shall be directly responsible for the appointment, compensation and oversight of any compensation consultant, legal counsel or other adviser (a "compensation adviser") retained by the Committee.

10. Before selecting, or receiving advice from, a compensation adviser, other than in-house legal counsel or a compensation adviser that acts in a role limited to provide: (a) consulting on any broad-based plan that does not discriminate in scope, terms, or operation, in favor of the Company's executive officers or directors and that is available generally to all salaried employees; and/or, (b) information that either is not customized for the Company or that is customized based on parameters that are not developed by the compensation adviser and about which the compensation adviser does not provide advice, the Committee shall consider the following independence factors:

- (i) the provision of other services to the Company by the compensation adviser's employer;

- (ii) the amount of fees received from the Company by the compensation advisor's employer, as a percentage of the total revenue of the employer;

- (iii) the policies and procedures of the compensation adviser's employer that are designed to prevent conflicts of interest;

- (iv) any business or personal relationship of the compensation adviser with a Committee member;

- (v) any stock of the Company owned by the compensation adviser; and

- (vi) any business or personal relationship of the compensation adviser or the compensation adviser's employer with an executive officer of the Company.

11. The Committee shall manage and review executive officer and director indemnification and insurance matters.

12. The Committee shall approve any loan to an Executive Officer.

13. The Committee shall prepare and approve the Compensation Committee report to be included as part of the Company's annual proxy statement.

14. The Committee shall, at least annually, review and reassess the adequacy of this Charter and evaluate its own performance on a periodic basis, including its compliance with this Charter, and provide any written material with respect to such evaluation to the Board, including any recommendations for changes in procedures or policies governing the Committee. The Committee shall conduct such evaluation and review in such manner as it deems appropriate.

## **V. Delegation of Duties**

In fulfilling its responsibilities, the Committee shall be entitled to delegate any or all of its responsibilities to a subcommittee of the Committee, to the extent consistent with the Company's articles of association, corporate governance guidelines and principles applicable to the Company, Companies Law and applicable laws, regulations and rules of NASDAQ and any other markets in which the Company's securities then trade, except that it shall not delegate its responsibilities set forth in paragraphs 3 and 5 of Section IV above or for any matters that involve executive compensation or any matters where it has determined such compensation is intended to comply with Section 162(m) of the Code by virtue of being approved by a committee of "outside directors" or is intended to be exempt from Section 16(b) under the Exchange Act pursuant to Rule 16b-3 by virtue of being approved by a committee of "non-employee directors." In addition, the Committee shall not delegate its responsibilities relating to the Company's Compensation Policy and its obligations to approve transactions of the Company with the Company's Executive Officers with respect to their compensation.