

VASCULAR BIOGENICS LTD.
Compensation Committee

The Board of Directors (the "**Board**") of Vascular Biogenics Ltd. (the "**Company**") has constituted and established a Compensation Committee (the "**Committee**") with the authority, responsibility and specific duties as described in this Compensation Committee Charter (this "**Charter**"). This Charter shall not derogate from nor supersede, and instead will be read in conjunction with, the terms set forth in the Company's Compensation Policy (the "**Compensation Policy**") to be recommended to the Board by the Committee, the Board and the Company's shareholders in accordance with the requirements set forth in the Israeli Companies Law, 5759-1999 and the regulations promulgated thereunder (the "**Companies Law**"). If any term of this Charter contradicts the requirements under the Companies Law relating to the Compensation Policy, or the Compensation Policy itself, then the terms of the Companies Law and the Compensation Policy will prevail.

I. Purpose

The purposes of the Committee are to:

- a. assist the Board in fulfilling its responsibilities relating to compensation of the Company's directors, Chief Executive Officer and other "Office Holders" (as defined under the Companies Law);
- b. assist the Board in administering the Company's equity incentive plans; and
- c. produce an annual report on executive compensation for public disclosure in the proxy statement for the Company's annual general meeting of shareholders or otherwise (pursuant to Item 407(e)(5) of Regulation SK promulgated by the U.S. Securities and Exchange Commission (the "**SEC**")), to the extent required under applicable securities laws and the rules and regulations promulgated thereunder.

The purposes and further provisions specified in this Charter are meant to serve as guidelines, are subject to applicable law, and the Committee is delegated the authority to adopt such additional procedures and standards as it deems necessary or advisable from time to time to fulfill its responsibilities. Unless otherwise prescribed in this Charter, the Articles of Association of the Company or applicable law, the rules and procedures applicable to the operation of the Board shall apply to the operation of the Committee with any necessary changes. Nothing herein is intended to expand applicable standards of liability under Israeli or U.S. federal law for directors of a corporation.

II. Membership

The Committee's membership shall satisfy the following requirements:

- The Committee shall have three or more members.

- The members of the Committee shall be independent (an "**Independent Director**") (or be subject to an applicable exception) as determined in accordance with applicable law, including Rule 10C-1 of the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**") and the NASDAQ Stock Market Rules (the "**NASDAQ Rules**").¹

Subject to applicable law (i) the Committee's members shall be appointed by and serve at the discretion of the Board, (ii) members shall serve until their successors are duly designated and qualified, (iii) any member of the Committee may be removed at any time, with or without cause, by a resolution of the Board, and (iv) any vacancy on the Committee occurring for any cause whatsoever may be filled by a resolution of the Board.

A majority of the members of the Committee shall constitute a quorum for the transaction of business, and the act of a majority of those present at any meeting at which there is a quorum shall be the act of the Committee.

III. Meetings and Authority

The Committee shall meet as circumstances require. The chairperson of the Committee will preside at each meeting of the Committee and, in consultation with the other members of the Committee then present, shall determine the length of such meeting and the agenda of items to be addressed at such meeting. The presence (in person or via telephone or other means of communication) of a majority of the members of the Committee shall constitute a quorum for the transaction of business at a meeting of the Committee, and the act of a majority of those present at any meeting at which there is a quorum and who are entitled to vote on the matter shall be the act of the Committee.

The Committee may ask members of management or others to attend meetings and provide pertinent information, as necessary. Notwithstanding the foregoing, the Chief Executive Officer ("**CEO**") shall not be present during voting or deliberations on his or her compensation.

Subject to applicable law, the Committee may delegate its authority to subcommittees established from time to time by the Committee. Such subcommittees shall consist of one or more members of the Committee or the Board and shall report to the Committee.

IV. Duties and Responsibilities

The Committee shall have the power and authority of the Board to perform the duties and to fulfill the responsibilities detailed below. The Committee's approval of any matter below shall not derogate from the requirements of the Companies Law pursuant to which approval of the Board and, in certain cases, the Company's

¹ NTD: If there is any possibility that VBL may lose FPI status, or expand U.S. operations, consider having the Board also think about Section 16 and tax code status (both of which, of course, could be revisited if and when FPI status is lost, if ever). [In determining the members of the Compensation Committee, the Board will consider whether the members qualify as "non-employee directors" as defined in Rule 16b-3 under the Exchange Act, and as "outside directors" as defined in Section 162(m) of the Internal Revenue Code of 1986, as amended.]

shareholders is required for certain acts or transactions, and under such circumstances the Committee's approval shall constitute only a recommendation to any such body.

1. Recommending to the Board the initial Compensation Policy of the Company and subsequently reviewing from time to time and recommending to the Board for determination the overall compensation policies of the Company with respect to the CEO and other Office Holders, with a view to rewarding management appropriately for its contributions to the Company's growth and profitability and aligning the Company's compensation policies with its objectives and shareholders' interests in each case taking into account the Compensation Policy.
2. Recommending whether the Company's then-current Compensation Policy should continue in effect, if the then-current policy has a term of greater than three years (approval of either a new Compensation Policy or the continuation of an existing Compensation Policy must in any case occur every three years).
3. Recommending to the Board periodic updates to the Compensation Policy.
4. Assessing implementation of the Compensation Policy.
5. Reviewing and approving corporate goals and objectives relevant to the compensation of the CEO and other officers, consistent with the then-effective Compensation Policy, evaluating the performance of the CEO and other officers in light of such goals and objectives, and determining the compensation of the CEO and other officers based on such evaluation.
6. Reviewing and, subject to applicable law and to any restrictions or limitations adopted by the Board, recommending for Board approval, the grant of options, restricted shares, share appreciation rights and other equity-based grants (each, an "**Award**") consistent with the Company's incentive compensation plans (collectively, the "**Plans**") and compensation strategy, and, subject to applicable law, administering the Plans. The Committee may make recommendations to the Board with respect to incentive compensation plans, including reservation of shares for issuance thereunder.
7. Determining whether to approve transactions with Office Holders that include employment or retention terms that require approval under Sections 272, 273 or 275 of the Companies Law.
8. Determining whether to exempt from the requirement of shareholder approval the terms of employment and compensation of a prospective CEO of the Company if the required conditions therefor are met under Section 272(c1)(3) of the Companies Law.
9. Oversee compliance with the compensation reporting requirements of the SEC to the extent applicable.
10. Review, periodically evaluate and make recommendations to the Board regarding the compensation and benefits for the Company's non-employee directors, taking into account the Compensation Policy.
11. Retain or obtain the advice of compensation consultants, legal counsel and/or other advisers; provided that

1. The Committee is authorized to, and must, have direct responsibility for the appointment, compensation and oversight of the work of any compensation consultant, legal counsel or other adviser retained by the Committee and the Company must provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to any such compensation consultant, legal counsel or other adviser; and
2. Before any compensation consultant, legal counsel or other adviser (other than (1) in-house legal counsel or (2) any compensation consultant, legal counsel or other adviser whose role is limited to the following activities for which no disclosure would be required under Item 407(e)(3)(iii) of Regulation S-K: (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 that is available generally to all salaried employees or (ii) providing information that either is not customized for a particular company or that is customized based on parameters that are not developed by the compensation consultant, legal counsel or other adviser and about which the compensation consultant, legal counsel or other adviser does not provide advice) is selected by, or provides advice to, the Compensation Committee, the Compensation Committee shall take into consideration the following factors:
 1. The provision of other services to the Company by the person that employs the compensation consultant, legal counsel or other adviser;
 2. 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 revenue of the person that employs the compensation consultant, legal counsel or other adviser;
 3. 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;
 4. Any business or personal relationship of the compensation consultant, legal counsel or other adviser with a member of the Committee;
 5. Any stock of the Company owned by the compensation consultant, legal counsel or other adviser; and
 6. Any business or personal relationship of the compensation consultant, legal counsel, other adviser or the person employing the adviser with an executive officer of the Company.
3. Prohibit the Company from engaging a compensation consultant engaged by the Committee, or an affiliate of any such compensation consultant, to provide any other services to the Company without the approval of the Committee.
12. Perform such other activities and functions as are required by applicable law, stock exchange rules or provisions in the Company's charter documents, or as are otherwise necessary and advisable, in its or the Board's discretion, for the efficient discharge of its duties.

V. Reporting

The Committee will apprise the Board regularly of its decisions and recommendations and of significant developments in the course of performing the above responsibilities and duties.

VI. Review

The Committee shall from time to time review and assess the adequacy of this Charter (including the structure, processes and membership requirements of the Committee) and recommend any proposed changes to the Board for approval. In addition, the Committee shall annually review its own performance.

VII. Minutes

The Committee will maintain written minutes of its meetings.

Amended: December [], 2016.