

## **GIVEN IMAGING LTD. (THE “COMPANY”) COMPENSATION AND NOMINATING COMMITTEE CHARTER**

The Board of Directors (the “Board”) of the Company has constituted and established a Compensation and Nominating Committee (the “Committee”) with the authority, responsibility and specific duties as described in this Compensation and Nominating Committee Charter (this “Charter”).

### **A. Purpose**

The primary purpose of the Committee is (i) to assist the Board in fulfilling its responsibilities relating to compensation of the Company’s chief executive officer (the “CEO”) and other executive officers, (ii) to advise the Board on matters relating to directors’ compensation, and (iii) to support and advise the Board in selecting the individuals who are best able to fulfill the responsibilities of a director.

The purposes and provisions specified in this Charter are meant to serve as guidelines, and the Committee is delegated the authority to adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities. Unless otherwise prescribed in this Charter, the rules and procedures applicable to the operation of the Board shall apply to the operation of the Committee with any necessary changes.

### **B. Membership**

The members of the Committee shall consist of three or more members of the Board all of whom shall qualify as “independent directors” under applicable law and the Nasdaq National Market listing requirements and one of whom (who may be the same as any of the persons qualifying as independent directors) shall qualify as an “outside director” under the Israeli Companies Law.

The Committee’s members and chairperson shall be appointed by the Board. A majority of the members of the Committee shall constitute a quorum for the transaction of business. The duties and responsibilities of a member of the Committee are in addition to the duties of a member of the Board.

### **C. Meetings**

The Committee shall meet at least annually or more frequently as circumstances require. The Committee may ask members of management or others to attend the meeting and provide pertinent information, as necessary. The Committee shall have the power to retain, at the Company’s expense, experts in the field of executive recruitment and compensation to assist the Committee and the sole authority to terminate the engagement of such experts and approve the fees and other retention terms of such experts.

### **D. Responsibilities**

To fulfill its responsibilities, the Committee shall:

1. Review from time to time and approve the overall compensation policies of the Company with respect to the CEO and other executive officers, 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.
2. Review and approve corporate goals and objectives relevant to the compensation of the CEO of the Company.
3. Evaluate the performance of the CEO in light of the above-referenced goals and objectives.
4. Determine (or recommend to the Board for determination) the compensation of the CEO based on the above-referenced evaluation. In determining the long-term incentive component of the CEO's compensation, the Committee shall consider the Company's performance and relative shareholder return, the value of similar incentive awards to chief executive officers at other companies comparable to the Company and the awards given to the CEO in past years. The CEO may not be present during deliberations or voting concerning compensation of the CEO.
5. Determine (or recommend to the Board for determination) the compensation for executive officers of the Company.
6. Review the Company's compensation and other benefit plans, including incentive compensation and equity-based plans and programs for executive officers and senior management, and make recommendations as necessary. Review and approve any amendments and modifications to any such plan or program requiring approval of the Board, subject always to applicable shareholder approval requirements.
7. Review and approve the granting of options, restricted stock, stock appreciation rights and other equity-based grants consistent with the Company's incentive compensation plans and programs and compensation strategy.
8. Determine (or recommend to the Board and/or the shareholders for determination) the compensation and benefits for the Company's non-employee directors.
9. Determine the skills and qualifications required of directors and develop criteria to be considered in selecting potential candidates for Board membership.
10. Recommend for the Board's nomination director nominees to serve on the Board.
11. At least annually review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for consideration and approval.

**D. Performance Evaluation**

The Committee shall conduct an annual self-performance evaluation of the Committee.

*Last Revised: December 9, 2003*