

RADCOM LTD.

COMPENSATION COMMITTEE CHARTER

I. Purpose

The purpose of the Compensation Committee (the "**Committee**") of the Board of Directors (the "**Board**") of Radcom Ltd., an Israeli company listed on the NASDAQ Stock Market (the "**Company**"), is to review and approve, or, where required under the Israeli Companies Law, 5759-1999 and the regulations promulgated thereunder (as amended from time to time, the "**Companies Law**") or appropriate at the Committee's discretion, recommend to the Audit Committee of the Board and/or the Board for approval, the following:

- the compensation policy for "office holders" of the Company (including renewal and reassessment thereof) in accordance with Section 118b of the Companies Law;
- the compensation policy for executive officers of the Company (including renewal and reassessment thereof) who are not "office holders" of the Company within the meaning of the Companies Law, but who are defined as such according to the Nasdaq Rules (as defined below);
- the compensation (including exculpation, indemnification and insurance) of such office holders; and
- administration of the Company's equity based plans.

II. Membership and Authority

1. Number. The Committee shall be comprised of at least three members of the Board, including all the External Directors (as such term is defined in the Companies Law), who shall, except as permitted by the Companies Law, constitute a majority of the members. The number of members of the Committee shall be determined from time to time by the Board.

2. Qualification. Except as otherwise permitted by applicable law, including the Nasdaq Listing Rules (as amended from time to time, the "**NASDAQ Rules**"), each member of the Committee shall:

- be an "independent director" (as such term is defined in applicable NASDAQ Rules) and not accept, directly or indirectly, any consulting, advisory or other compensatory fee from the Company or any subsidiary thereof (except as allowed under NASDAQ Rules);
- in the judgment of the Board, (i) have experience that would be helpful in addressing the matters delegated to the Committee and (ii) not have an affiliation (with the Company, a subsidiary thereof or an affiliate of a subsidiary) that would impair the director's judgment as a member of the Committee;
- if not an External Director, his or term of service or employment with the Company shall comply with Section 244 of the Companies Law; and
- not be the Chairperson of the Board, nor an employee or service provider (on an ongoing basis) of the Company or its "controlling shareholder" or an entity controlled by such controlling shareholder, nor a "controlling shareholder" or "relative" thereof,

nor anyone whose primary income is dependent on the controlling shareholder, all as more fully set forth in Sections 115(b) and 115(c) of the Companies Law (and the applicable definitions therein).

3. Appointment and Removal. Subject to applicable law, the members of the Committee shall be appointed and removed (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.

4. Chairperson. The Chairperson of the Committee shall be an External Director. Unless the Board elects a Chairperson of the Committee, the members of the Committee shall appoint a Chairperson by majority vote.

5. Advisors.

5.1 The Committee may, in its sole discretion, retain or obtain the advice of a compensation consultant, legal counsel or other adviser. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any such retained advisors.

5.2 Except as permitted under NASDAQ Rules¹, the Committee may select, or receive advice from, a compensation consultant, legal counsel or other adviser to the Committee, other than in-house legal counsel, only after taking into consideration the following factors: (i) the provision of other services to the Company by the person that employs such adviser; (ii) the amount of fees received from the Company by the person that employs such adviser, as a percentage of such person's total revenues; (iii) the policies and procedures of the person that employs such adviser that are designed to prevent conflicts of interest; (iv) any business or personal relationship of such adviser with a member of the Committee; (v) any stock of the Company owned by such adviser; and (vi) any business or personal relationship of such adviser, or the person employing the adviser, with an executive officer of the Company.

5.3 Nothing herein shall be construed: (i) to require the Committee to implement or act consistently with the advice or recommendations of the compensation consultant, legal counsel or other adviser to the Committee; or (ii) to affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties. Except as permitted under NASDAQ Rules, the Committee is required to conduct the independence assessment outlined above with respect to any compensation consultant, legal counsel or other adviser that provides advice to the Committee, other than in-house legal counsel. However, nothing herein requires such advisers to be independent, only that the Committee consider the enumerated independence factors before selecting, or receiving advice from, a compensation adviser. The

¹ Under NASDAQ Rules, the Committee is not required to conduct an independence assessment for a compensation adviser that acts in a role limited to the following activities for which no disclosure is required under Item 407(e)(3)(iii) of Regulation S-K: (a) 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; and/or (b) providing information that either is not customized for a particular issuer or that is customized based on parameters that are not developed by the adviser, and about which the adviser does not provide advice.

Committee may select, or receive advice from, any compensation adviser it prefers, including ones that are not independent, after considering the six independence factors outlined above.

5.4 The Committee is empowered, without further action by the Board, to cause the Company to pay and provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to a compensation consultant, legal counsel or any other adviser retained by the Committee.

III. Meetings and Procedures

1. Meetings. The Committee will meet as often as the Committee or its Chairperson deem necessary in order to carry out its duties, either in person, via teleconference or similar means of communication. Without derogating from the foregoing, the Committee shall meet at the request of (i) any member of the Committee or (ii) the Board.

2. Reports; Minutes. The Committee shall report regularly to the Board with respect to its meetings, decisions and recommendations. Decisions or recommendations that require approval of the Board will be brought to the knowledge of directors a reasonable time before the discussion thereof at the Board meeting. The Committee shall maintain minutes of its meetings and provide to the Board copies of such minutes and any resolutions adopted in writing pursuant to applicable law and the Company's Articles of Association.

3. Attendees. The Committee may, at its discretion, include in its meetings members of the Company's management, or any other person whose presence the Committee believes to be desirable and appropriate, except that the Company's Chief Executive Officer ("CEO") shall not be present during deliberation and voting regarding his or her own compensation. Notwithstanding the foregoing, persons who cannot qualify as members of the Committee may not attend the Committee's meetings unless the Chairperson determines, to the extent permitted by applicable law, that such person is required in order to present a certain matter.²

4. Charter. The Committee shall review and reassess the adequacy of this Charter, from time to time as it deems appropriate, and at least on an annual basis, and recommend any proposed changes to the Board for approval.

IV. Duties and Responsibilities

The Committee shall take such actions as it deems advisable in order to fulfill its purposes and carry out its duties in accordance with applicable law. Specifically, the Committee shall:

- recommend the compensation policy (as defined in the Companies Law) for "office holders" (as defined in the Companies Law) of the Company (including renewal and reassessment thereof) in accordance with Section 118b of the Companies Law;

² Section 115(e) of the Companies Laws provides that (i) a company's employee, who is not the "controlling shareholder" or his "relative", may attend the committee's meeting during the discussion (but not during the Committee's decisions) and (ii) without derogating from clause (i), a company's legal advisor and corporate secretary, who are not the controlling shareholder or his relative, may attend during the discussion and the decisions if the committee so requests.

- recommend the compensation policy for executive officers of the Company (including renewal and reassessment thereof) who are not "office holders" of the Company within the meaning of the Companies Law, but who are defined as such according to the Nasdaq Rules;
- be responsible for the approval, if appropriate, of certain related party actions and transactions relating to executive compensation in accordance with the Companies Law, including granting of relief from shareholder approval where permissible under the Companies Law;
- be responsible for the approval (or recommendation, where applicable), if appropriate, of the terms of compensation of all office holders (including executive officers if different than "office holders" according to the Nasdaq Rules) of the Company, including salary, bonuses and related benefits and awards; and
- be responsible for administration of the Company's stock option and equity based plans, including the review and approval (or recommendation, where applicable) of changes to such plans, the adoption of new plans, and the grant of incentives, awards or grants under such plans.

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