

CORPORATE GOVERNANCE AND NOMINATING COMMITTEE CHARTER

1. Status.

The Corporate Governance and Nominating Committee (the "Committee") is a committee of the Board of Directors (the "Board") of Tower Semiconductor Ltd. (the "Company").

2. Membership.

The Committee shall consist of three or more directors, all of whom in the judgment of the Board shall be independent in accordance with applicable Nasdaq Stock Exchange regulations.

The members and Chairman of the Committee shall be appointed by the Board.

3. Scope.

The scope of the Committee includes (i) identification of individuals qualified to be appointed as Board members; (ii) recommendation to the Board director nominees for approval by the Board and shareholders; (iii) performing director and board periodic assessment and make recommendations to the board with respect to renomination and refreshment of board membership; (iv) to assisting the Board in establishing and reviewing the Company's statement of corporate governance principles and promoting good corporate governance in the Company; (v) assisting the Board in carrying out its responsibilities, related to CEO succession planning; and (v) overseeing the Company's commitment to social and environmental responsibility matters, and to advise the Board on such matters.

4. Duties and Responsibilities.

The Committee has the following roles and responsibilities:

4.1. Board Composition:

- 4.1.1. to review, in consultation with the Chairman of the Board, the composition and size of the Board in order to ensure that the Board has the proper expertise and that its membership consists of persons with appropriate backgrounds and qualifications;
- 4.1.2. to determine the criteria for the selection of Board members and Board committee members;
- 4.1.3. to plan for continuity on the Board as existing Board members retire or resign from the Board;
- 4.1.4. to prepare and review succession plans for the Chairman of the Board in case of his/her resignation, retirement or death;
- 4.1.5. to evaluate the performance of current Board members proposed for re-election, and recommend to the Board as to whether members of the Board should stand for re-election;
- 4.1.6. in consultation with the Chairman of the Board, to actively seek, interview and screen individuals qualified to become Board members consistent with the established selection criteria for recommendation to the Board and recommend to the Board as to whether any such person should be appointed or otherwise stand for election to the Board;
- 4.1.7. if the Board wishes to fill a vacancy on the Board or any Board committee, to identify and make recommendations to the Board regarding the selection and approval of candidates to fill such vacancy;
- 4.1.8. to review the qualifications of candidates proposed by shareholders for the Board and make recommendations regarding any suitable candidates; and to maintain an orientation program for new Board members and an ongoing education program for existing Board members, and periodically review these programs and update them as necessary.

4.2. Evaluation of Performance:

to support the Chairman of the Board by providing input and recommendations with respect to the board/committees' annual assessment review.

4.3. Board Committees:

4.3.1. to review and make recommendations to the Board regarding the Board's committee structure and the roles and responsibilities of the existing Board committees; and

4.3.2. in consultation with the Chairman of the Board, to recommend to the Board persons to be members of Board committees and committee chairpersons.

4.4. Corporate Governance

4.4.1. to review periodically the statement of corporate governance principles approved by the Board to ensure that they remain relevant and are being complied with;

4.4.2. to review the procedures and communication plans for shareholders' meetings and to ensure that the required information on the Company is adequately presented and that the meeting promotes effective communication between the Company and its shareholders on matters of importance which are on the agenda;

4.4.3. to oversee the Company's corporate governance policies and practices, to identify corporate governance best practices, and to recommend to the Board such other actions and changes regarding the governance of the Company that are in the best interests of the Company;

4.5. CEO succession planning.

4.5.1. preparing and reviewing, in consultation with the Chairman of the Board, a succession plan for the CEO; and

4.5.2. overseeing and reviewing the CEO's internal candidates' development plans.

4.6. ESG.

4.6.1. reviewing emerging best practices, trends and key issues related to Environmental, Social and Governance (ESG) matter;

4.6.2. overseeing the Company's commitment to social and environmental responsibility matters; and

4.6.3. advising the Board on such matters.

4.7. The Committee shall have such other authority, duties and responsibilities as may be delegated to the Committee by the Board.

5. Meetings.

The Committee shall report to the Board on the Committee's actions and recommendations.

The Committee shall meet at least twice each year and at such other times as it deems necessary to fulfill its responsibilities.

The Committee may invite to its meetings other directors, Company management and other such persons as the Committee deems appropriate in order to carry out its responsibilities. The Committee may also exclude from its meetings anyone with a personal interest in the matters to be discussed.

The Committee shall have authority to retain, terminate and oversee the work of any search firm to be used to identify candidates for appointment to the Board.

6. Charter Amendment.

The Committee shall periodically review this Charter and recommend any proposed changes to the Board for approval. By a majority vote, the Board may approve amendments to this Charter.

Formatted: No underline

Any member of the Committee may submit proposed amendments to this Charter to the Board. The Board shall circulate any proposed amendment of this Charter to members of the Committee promptly upon receipt.