

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE CHARTER

Note: This charter was adopted as of October 21, 2004 and will take effect on, and not before, the effective date of the Corporation's registration statement on Form S-1.

1. STATUS

The Nominating and Corporate Governance Committee (the "**Committee**") is a committee of the Board of Directors (the "**Board**") of Ormat Technologies, Inc. (the "**Corporation**").

2. PURPOSE

The purpose of the Committee is to recommend individuals to the Board for nomination, election or appointment as members of the Board and its committees, consistent with the criteria included in the Corporation's Corporate Governance Guidelines, to oversee the evaluation of the performance of the Board and the Corporation's Chief Executive Officer ("**CEO**"), and to take a leadership role in shaping the corporate governance of the Corporation, including developing, recommending to the Board and reviewing on an ongoing basis the corporate governance principles and practices that should apply to the Corporation.

3. MEMBERSHIP

The Committee shall consist of at least three members of the Board as the Board shall from time to time determine. For so long as the Corporation is a controlled corporation and therefore exempt from New York Stock Exchange nominating/corporate governance committee independence rules, at least one of the Committee members shall be "independent" as that term is defined in the Corporation's Corporate Governance Guidelines and under the rules of the New York Stock Exchange, Inc. Should the Corporation cease to be a controlled corporation or otherwise lose the benefit of the exemption from the New York Stock Exchange nominating/corporate governance committee independence requirements, then all Committee members shall be "independent" as aforesaid.

No independent member of the Committee may (except in his or her capacity as a member of the Committee, the Board or any other Board committee) receive, directly or indirectly, any consulting, advisory or other compensatory fee from the Corporation, other than fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service to the Corporation (provided that such compensation is not contingent in any way on continued service).

4. APPOINTMENT AND REMOVAL

The members of the Committee shall be elected by the Board and shall serve until the first meeting of the Board following the Annual Meeting of Shareholders and until their successors are elected or until their earlier death, resignation or removal, with or without cause, in the discretion of the Board. In the event of a vacancy on the Committee for any reason, the Board shall elect a Director to replace the departed Director for the remainder of the unexpired term. Unless a Chair is elected by the Board, the members of the Committee shall elect a Chair by majority vote of the full Committee membership.

5. DUTIES AND RESPONSIBILITIES

The Committee's primary duties and responsibilities include:

Nominations

The Committee is responsible for:

- Recommending to the Board for its approval the criteria and qualifications for membership on the Board, including any specific, minimum qualifications that the Committee believes must be met by a nominee for a position on the Board or any specific qualities or skills that the Committee believes are necessary for one or more of the Directors to possess.
- In consultation with the Chair of the Board, identifying, considering, recommending, recruiting and selecting, or recommending that the Board select, candidates to fill open positions on the Board consistent with the Board approved criteria and qualifications for membership.
- Developing and periodically evaluating a policy with regard to the consideration of any Director candidates recommended by stockholders, including the procedures to be followed by stockholders in submitting such recommendations.
- Establishing a process for identifying and evaluating nominees for Director, including nominees recommended by stockholders.
- Conducting appropriate inquiries into the backgrounds and qualifications of possible candidates.
- Recommending Director nominees for approval by the Board and the stockholders for the next annual stockholders' meeting.
- Recommending Director nominees for each of the Board's committees.

The Committee shall have the sole authority to retain and terminate search firms used to identify Director candidates and shall have sole authority to approve the search firm's fees and other retention terms.

Corporate Governance

General

- Reviewing and recommending to the Board proposed changes to the Corporation's Certificate of Incorporation and By-laws.
- In consultation with the Chair of the Board, periodically review recommendations for revising the Corporation's corporate governance policies and Corporate Governance Guidelines.
- Recommending to the Board ways to enhance services to and improve communications and relations with the Corporation's stockholders.
- Conducting, in consultation with the Chair of the Board, an annual review of the Corporation's Code of Business Conduct and Ethics and Code of Ethics Applicable to Senior Executives.
- Recommending to the Board from time to time as to the establishment of any new committees of the Board that the Committee believes to be necessary or desirable.

Board Oversight

- Overseeing periodic self-evaluations by the Board of its performance.
- Evaluating, in consultation with the Chair of the Board, the size, needs and effectiveness of the Board.
- Recommending to the Board improvements to the corporate governance of the Corporation, including consideration of any specific standards for the overall structure and composition of the Board.
- Overseeing the development by the CEO of programs for continuing education for all Directors and for the orientation of new Directors to be administered by the Corporate Secretary.
- Evaluating any request for a waiver of the application of the Corporation's Code of Ethics and Standards of Business Conduct and its Code of Ethics Applicable to Senior Executives and reporting its findings and recommendations to the full Board.
- Monitoring annually the functions of the various committees of the Board and conducting periodic reviews of their contributions to the Corporation.
- Considering questions of possible conflicts of interest of Board members and of the Corporation's senior executives.
- Reviewing, at least annually, the standards to be applied by the Board in making determinations as to whether a Director should be deemed "independent," to

recommend to the Board any modifications to these standards that the Committee deems desirable, and to provide to the Board the Committee's assessment of which directors should be deemed "independent" under the then-current legal and regulatory standards and under any recommended modifications to the standards.

- Reviewing the continuation on the Board of any Director who has tendered a letter of proposed retirement or resignation from the Board and to recommend to the Board whether, in light of the circumstances, the Board should accept such proposed retirement or resignation or request that the Director continue to serve.
- Reviewing the form and amounts of director compensation and make recommendations to the Board with respect thereto.
- Establishing criteria for an annual performance evaluation of the Committee by the Board.

Management Oversight

- Participating in the evaluating of the performance of the CEO as provided in the Corporation's Corporate Governance Guidelines.
- Reviewing annually with the Chair of the Board the succession plans concerning the CEO position and making recommendations to the Board in connection therewith as appropriate.

6. COMMITTEE STRUCTURE AND OPERATIONS

- The Chairman of the Board shall be Chair of the Committee, however, if he or she refuses to so serve, the Board, taking into account the views of the Chairman of the Board, shall designate one member of the Committee as its Chairman. If the Board does not so designate a Chair of the Committee, the members of the Committee shall elect a Chair by majority vote of the full Committee membership.
- The Committee shall meet at least once annually, with further meetings to occur, or actions to be taken by unanimous written consent, when deemed necessary or desirable by the Committee or its Chair. A majority of the Committee members shall constitute a quorum and a majority of the members present shall decide any question brought before the Committee.
- The Committee may delegate its authority to a subcommittee or subcommittees.
- The Committee shall promptly inform the Board of the actions taken or issues discussed at its meetings. This will generally take place at the Board meeting following a Committee meeting.

7. PROCEDURES

The Chair of the Committee shall establish such rules as may from time to time be necessary or appropriate for the conduct of the business of the Committee. The Chair shall appoint as secretary a person who may, but need not, be a member of the Committee. A certificate of the secretary of the Committee setting forth the names of the members of the Committee or actions taken by the Committee shall be sufficient evidence at all times as to the persons constituting the Committee or such actions taken.

8. PERFORMANCE REVIEW

The Committee shall conduct an annual performance evaluation of itself, including a review of the compliance of the Committee with this Charter. The Committee shall annually review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval. The Committee shall also produce an Annual Report of the Nominating and Corporate Governance Committee and provide such report to the full Board.

9. RESOURCES AND AUTHORITY OF THE COMMITTEE

The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to select, retain, terminate and approve the fees and other retention terms of special counsel or other experts or consultants, as it deems appropriate, without seeking special approval of the Board or management.