



CORPORATE GOVERNANCE GUIDELINES

Amended as of January 2013

The following Corporate Governance Guidelines (the "**Guidelines**") have been adopted by the Board of Directors (the "**Board**") of Ormat Technologies, Inc. (the "**Corporation**") to assist the Board in the exercise of its responsibilities. These Guidelines reflect the Board's commitment to monitor the effectiveness of policy and decision-making both at the Board and management levels, and to enhance stockholder value over the long term. These Guidelines are a statement of policy and are not intended to change or interpret any federal or state law or regulation, including the Delaware General Corporation Law, or the Certificate of Incorporation or By-laws of the Corporation. The Guidelines are subject to periodic review by the Nominating and Corporate Governance Committee (the "**Committee**") of the Board and to modification from time to time by the Board.

BOARD COMPOSITION

1. Selection of Chairman of the Board

The Board shall be free to choose its Chair in any way it deems best for the Corporation at any given point in time.

2. Size of the Board

The Board believes that it should generally have no fewer than 5 and no more than 11 directors subject to the provisions of the Corporation's Certificate of Incorporation and its By-laws. This range permits diversity of experience without hindering effective discussion or diminishing individual accountability.

3. Board Membership Criteria

Nominees for director shall be selected on the basis of their character, wisdom, judgment, ability to make independent analytical inquiries, business experiences, understanding of the Corporation's business environment, time commitment and acumen. Board members are expected to rigorously prepare for, attend and participate in all Board and applicable committee meetings. Each Board member is expected to ensure that other existing and planned future commitments do not materially interfere with the member's service as an outstanding director.

The Committee shall be responsible for assessing the appropriate balance of skills and characteristics required of Board members.

The Board shall be committed to a diversified membership, in terms of both the individuals involved and their various experiences and areas of expertise.

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4. Director Independence

4.1 The Board will satisfy any independence requirements of the New York Stock Exchange, Inc. (the "NYSE"), subject to any exemptions therefrom for "controlled companies" within the meaning of the listing standards of the NYSE, as then in effect.

4.2 In addition to the independence requirements of the NYSE (to the extent such requirements apply to the Corporation), to be deemed "Independent" in any calendar year, a director shall satisfy the following qualifications:

(a) has not been employed by the Corporation or its subsidiaries or affiliates (defined for purposes of Section 4 of these Guidelines as any individual or business entity that owns, directly, at least 5% of the securities of the Corporation having ordinary voting power) within the last five calendar years, except that any employment or other position or relationship of any kind of such person with any affiliate of the Corporation will not affect in any way such person's qualification to be deemed "Independent" hereunder if such affiliate (and without acknowledging that any of the following persons constitute affiliates within the above definition) is any Passive Institutional Investor. For purposes of this paragraph, Passive Institutional Investor shall mean (1) any person that (a) would satisfy the requirement of Exchange Act Rule 13d-1(c)(1) at the time it becomes an affiliate of the Corporation and (b) would be a "qualified institutional investor" or "institutional accredited investor" within the meaning of the rules and regulations of the SEC (as then in effect) at the time it becomes an affiliate of the Corporation and (2) such other persons as the board of directors may from time to time determine;

(b) has not received, during the current calendar year or any of the three immediately preceding calendar years, remuneration, directly or indirectly, other than *de minimus* remuneration, as a result of service as, or compensation paid to an entity affiliated with the individual who serves as (1) an advisor, consultant, or legal counsel to the Corporation or to a member of the Corporation's senior management; or (2) a significant customer or supplier of the Corporation;

(c) has no personal services contract(s) with the Corporation, or any member of the Corporation's senior management;

(d) is not affiliated with a not-for-profit entity that receives significant contributions from the Corporation;

(e) during the current calendar year or any of the three immediately preceding calendar years, has not had any business relationship with the Corporation for which the Corporation has been required to make disclosure under Regulation S-K of the SEC, other than for service as a director or for which relationship no more than *de minimus* remuneration was received in any one such year; provided, however, that the need to disclose any relationship that existed prior to a director joining the Board shall not in and of itself render the director non-independent;



(f) is not an executive officer of a public company at which an executive officer of the Corporation serves as a director;

(g) is not a member of the immediate family of any person who fails to satisfy the qualifications described above; and

(h) a director is deemed to have received remuneration (other than remuneration as a director, including remuneration provided to a non-executive Chairman or committee chairman, and pension or other forms of deferred compensation for prior service), directly or indirectly, if remuneration, other than *de minimis* remuneration (as determined by the Board from time to time), was paid by the Corporation, its subsidiaries or affiliates, to any entity in which the director has a beneficial ownership interest of 5% percent or more, or to an entity by which the director is employed or self-employed other than as a director. It is understood that remuneration does not include payments, such as dividends, received by a director in his or her capacity as a stockholder or an affiliate of a stockholder.

(i) It is acknowledged (as approved by the Second Judicial District Court for the State of Nevada in and for the County of Washoe) that the Board as constituted on the date of adoption of this Amendment is made up of a majority of Independent Directors with only Yehudit Bronicki and Yoram Bronicki not being Independent, within the definition set forth above.

4.3 The Board shall make an annual determination as to the independence of each independent director following a review of all relevant information including the requirement that the Board must affirmatively determine that the director has no material relationships with the Corporation, either directly or as a partner, stockholder or officer of an organization that has a relationship with the Corporation. When assessing the materiality of the director's relationship with the Corporation, the Board shall consider the issue not merely from the standpoint of the director, but also from that of persons or organizations with which the director has an affiliation. Material relationships may include commercial, industrial, banking, consulting, legal, accounting, charitable and familial, among others. The Corporation shall disclose in its annual proxy statement the Board's determination of the independence of its independent directors, including the basis for any determination that a relationship is not material (commencing with the Corporation's 2005 annual proxy statement).

4.4 The Board will review and amend these Guidelines as necessary should the Corporation cease to be a "controlled company" within the meaning of the listing standards of the NYSE.

5. Percentage of Independent Directors on the Board

At a minimum, a majority of the Board shall be independent directors, and the composition of the Board shall comply with the Director Independence provisions of paragraph 4 of these Guidelines.



6. Selection of Chairman of the Board and Chief Executive Officer

The Board shall select its chairman (the "**Chairman**") and the Corporation's Chief Executive Officer (the "**CEO**") in any way it considers in the best interests of the Corporation. Therefore, the Board does not have a policy on whether the role of the Chairman and CEO should be separate or combined and, if it is to be separate, whether the Chairman should be selected from the independent directors or should be an employee of the Corporation and/or its subsidiaries.

7. Selection of New Directors

The entire Board shall be responsible for nominating candidates for election to the Board at the Corporation's annual meeting of stockholders and for filling vacancies on the Board that may occur between annual meetings of stockholders. The Committee shall be responsible for identifying, considering, recommending, recruiting and selecting, or recommending that the Board select, candidates for Board membership consistent with the Board approved criteria and qualifications for membership. The Board, taking into consideration the assessment of the Committee, shall also make a determination as to whether a nominee or appointee would be an independent director. When formulating its Board membership recommendations, the Committee shall consider any advice and recommendations offered by the CEO or the stockholders of the Corporation or any outside advisors the Committee may retain.

8. Director Orientation and Continuing Education

An orientation process for all new directors will be maintained. This process includes comprehensive background briefings by the Corporation's executive officers. In addition, all directors shall at least annually participate in briefing sessions on topical subjects to assist the directors in discharging their duties. The orientation and continuing education programs, which are subject to the oversight of the Committee, are the responsibility of the CEO and administered by the Secretary.

9. Chair of the Committee

The Chairman of the Board shall be the 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.

10. Term and Age Limits

The Board has not established term or age limits for members. As an alternative to term and age limits, the Board will review each director's continuation on the Board prior to re-nomination for an additional term.



11. Directors Who Change Their Present Job Responsibility

When a director's principal occupation or business association changes substantially from the position he or she held when originally invited to join the Board, the director shall tender such director's proposed resignation from the Board to the Chair of the Committee. The Committee shall review the director's continuation on the Board, and recommend to the Board whether, in light of all the circumstances, the Board should accept such proposed resignation or request that the director continue to serve.

12. Board Compensation

A director who is also an employee shall not receive additional compensation for service as a director. The Compensation Committee is charged with the responsibility for reviewing (at least annually) and recommending to the full Board the form and amounts of compensation and benefits for non-employee directors. In making its recommendation, the Compensation Committee shall seek to fairly compensate directors at levels that are competitive with other companies in the industries in which the Corporation competes and to align directors' interests with the long-term interests of the Corporation's stockholders. In its deliberations, the Committee and the Board shall consider whether the levels of director compensation could impair independence and shall critically evaluate any consulting, charitable contribution or other potential indirect compensation arrangements.

BOARD MEETINGS

13. Frequency of Meetings

There shall be at least four regularly scheduled meetings of the Board each year. It is the responsibility of each of the directors to attend the meetings of the Board and the committees on which he or she serves. Further meetings shall occur if called by the Board, the Chairman of the Board, the Chair of the Committee, the CEO or any three directors. The Board may act by unanimous written consent in lieu of a meeting.

14. Selection of Agenda Items for Board Meetings

The Chairman of the Board, in consultation with the Corporate Secretary and the CEO, shall annually prepare a Board of Directors "**Master Agenda.**" This Master Agenda shall set forth a minimum agenda of items to be considered by the Board at each of its specified meetings during the year. Each meeting agenda shall include an opportunity for each committee chair to raise issues or report to the Board. Thereafter, the Chairman of the Board and the CEO may adjust the agenda to include special items not contemplated during the initial preparation of the annual Master Agenda.

Upon completion, a copy of the Master Agenda shall be provided to the entire Board. Each Board member shall be free to suggest inclusion of items on the Master Agenda for any given meeting. Thereafter, any Board member may suggest additional subjects that are not



specifically on the Master Agenda for any particular meeting. In that case, the Board member should contact the Chairman of the Board or the Secretary at least ten days prior to the relevant meeting.

15. Strategic Discussions at Board Meetings

At least one Board meeting will be primarily devoted to long-range strategic plans. It is also probable that specific short and/or long-range strategic plans will be discussed at other Board meetings throughout the year.

16. Executive Sessions of Non-Management and Independent Directors

The non-management directors (all those who are not "officers" of the Corporation, as such term is defined by the NYSE listing standards) shall meet in an executive session at each regularly scheduled Board meeting and, if any of the non-management directors are non-Independent, the Independent directors shall also meet in an executive session at least twice a year. The Board shall disclose in the Company's annual proxy statement the number of executive session meetings held in the prior year. These meetings can be in person or held telephonically. The Corporate Secretary shall establish, maintain and publicly disclose a method for interested parties to communicate directly with the non-management directors as a group.

17. Board Materials Distributed in Advance

Information and data is important to the Board's understanding of the business and essential to prepare Board members for productive meetings. Presentation materials relevant to each meeting will generally be distributed in writing to the Board for their review in advance of the meeting.

COMMITTEE MATTERS

18. Board Committees

The Corporation shall have the following standing committees: Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee. The duties for each of these committees shall be outlined in the respective charters of each committee and/or by further resolution of the Board. The Board may form new committees or disband a committee depending on circumstances. The Audit Committee shall be composed entirely of independent directors, and all members of the Audit Committee shall also meet the additional independence requirements of the NYSE and the Sarbanes-Oxley Act of 2002. For so long as the Corporation is a controlled company and therefore exempt from the NYSE's independence rules for compensation committees and nominating/corporate governance committees, at least two of the members of the Corporation's Compensation Committee and at least one of the members of the Committee shall be independent as that term is defined under the rules of the NYSE. Should the Corporation cease to be a controlled company or otherwise lose the benefit of the exemption from the NYSE's compensation committee and nominating/corporate governance



committee independence requirements, then all members of such committees shall be independent as aforesaid.

Each of the Audit Committee, the Compensation Committee and the Committee shall be composed of no fewer than three members.

19. Assignment and Rotation of Committee Members

The Committee shall be responsible, after consultation with the Chairman of the Board, for making recommendations to the Board with respect to the assignment of Board members to various committees. After reviewing the Committee's recommendations, the Board shall be responsible for appointing the members to the committees and, if applicable, respective chairs thereof, on an annual basis.

The Chairman of the Board and the Committee shall annually review the Committee assignments and shall consider the rotation of committee chairs and members with a view toward balancing the benefits derived from continuity against the benefits derived from the diversity of experience and viewpoints of the various directors.

20. Annual Review by Committee

Each Board committee shall annually review its charter and recommend to the Board any changes it deems necessary. In addition to its charter, the Committee will annually review the Corporate Governance Guidelines and recommend to the full Board any changes it deems necessary.

BOARD RESPONSIBILITIES

The business and affairs of the Corporation are managed by or under the direction of the Board in accordance with Delaware law. The Board's responsibility is to provide direction and oversight. The Board establishes the strategic direction of the Corporation and oversees the performance of the Corporation's business and management. The management of the Corporation is responsible for presenting strategic plans to the Board for review and approval and for implementing the Corporation's strategic direction. In performing their duties, the primary responsibility of directors is to exercise their business judgment in the best interests of the Corporation.

Certain specific corporate governance functions of the Board are set forth below:

21. Evaluation of Chief Executive Officer

The Chairman, with the participation of the Board, shall conduct an ongoing evaluation of the CEO. The evaluation of the CEO is to be accomplished through the following process:

- The CEO meets with the Chairman to develop appropriate goals and objectives for the next year, which are then discussed with the Compensation Committee.



- At year end, the Chairman, with input from the Compensation Committee, evaluates the performance of the CEO in meeting those goals and objectives.
- This evaluation is communicated to the CEO at a meeting of the Compensation Committee.
- The Compensation Committee uses this evaluation in its determination of the CEO's compensation.

22. Succession Planning

The Corporation understands the importance of succession planning. Therefore, the Committee, along with the CEO, shall analyze the current management, identify possible successors to the CEO, and timely develop a succession plan including the succession in the event of an emergency or retirement of the CEO. The plan shall then be reviewed by the entire Board, and reviewed periodically thereafter.

23. Reviewing and Approving Significant Transactions

Board approval of a particular transaction may be appropriate because of several factors, including:

- legal or regulatory requirements;
- the materiality of the transaction to the Corporation's financial performance, risk profile or business;
- the terms of the transaction; or
- other factors, such as the entering into of a new line of business or a variation from the Corporation's strategic plan.

To the extent the Board determines it to be appropriate, the Board shall develop standards to be utilized by management in determining types of transactions that should be submitted to the Board for review and approval or notification.

24. Shareholder Proposals

. All shareholder proposals shall be evaluated by the Board or any Board committee to which the Board has delegated such authority to determine whether such proposal is in the best interests of the corporation; provided, however that any such committee shall be composed of a majority of independent directors.



EXPECTATIONS FOR DIRECTORS

25. Commitment and Attendance

All directors should make every effort to attend meetings of the Board and the committees of which they are members. Attendance by telephone or video conference may be used to facilitate a director's attendance. In addition, absent extraordinary circumstances, each director shall attend each annual shareholder meeting in person.

26. Participation in Meetings

Each director should be sufficiently familiar with the business of the Corporation, including its financial statements and capital structure, and the risks and the competition it faces, to ensure active and effective participation in the deliberations of the Board and of each committee on which he or she serves. Upon request, management shall make appropriate personnel available to answer questions a director may have about any aspect of the Corporation's business. Directors should also review the materials provided by management and advisors in advance of the meetings of the Board and its committees and should arrive prepared to discuss the issues presented.

27. Loyalty and Ethics

In their roles as directors, all directors owe a duty of loyalty to the Corporation. This duty of loyalty mandates that the best interests of the Corporation take precedence over any interest possessed by a director.

The Corporation has adopted a Code of Business Conduct and Ethics. Certain portions of the Code deal with activities of directors, particularly with respect to potential conflicts of interest, the taking of corporate opportunities for personal use, and transactions in the securities of the Corporation. Directors should be familiar with the Code's provisions in these areas and should consult with the Corporation's Secretary in the event of any issues.

28. Other Directorships and Significant Activities

The Corporation values the experience directors bring from other boards on which they serve and other activities in which they participate, but recognizes that those boards and activities may also present demands on a director's time and availability and may present conflicts or legal issues, including independence issues. Directors should advise the Chair of the Committee and the CEO before accepting membership on other boards of directors or any audit committee or other significant committee assignment on any other board of directors, or establishing other significant relationships with businesses, institutions, governmental units or regulatory entities, that may result in significant time commitments or a change in the director's relationship with the Corporation.



29. Evaluation of the Board

The Board shall be responsible for periodically, and at least annually, conducting a self-evaluation of the Board as a whole. The Committee shall be responsible for establishing the evaluation criteria and overseeing the implementation of the process for such evaluation.

30. Evaluation of Committees of the Board

The Committee shall conduct periodic reviews of each committee's contribution to the Corporation. In its review of the committees, the Committee shall review each committee's objectives, as stated at the beginning of each fiscal year, and compare those stated objectives to the results and time expended to achieve such results at the end of that year.

31. Board Contact with Senior Management

Board members shall have complete access to management. Board members shall use sound business judgment to ensure that such contact is not distracting, and, if in writing, shall be copied to the CEO and the Chairman of the Board.

Furthermore, the Board encourages senior management, from time to time, to bring employees into Board meetings who: (a) can provide additional insight concerning the items being discussed because of personal involvement in these areas; (b) represent significant aspects of the Corporation's business; and (c) assure the Board of exposure to employees with future potential to assure adequate plans for management succession within the Corporation.

32. Access to Independent Advisors

The Board and its committees, including the non-management or "independent," directors when convening in executive session, shall have the right, at any time, to retain independent outside financial, compensation, legal or other advisors who shall report directly to the Board or to the relevant committee.

33. Board Interaction with Institutional Investors and Press

The Board believes that management generally should speak for the Corporation, consistent with all regulations governing such communications and with common sense. Unless otherwise agreed to or requested by the Chairman of the Board, each director shall refer all inquiries from institutional investors and the press to designated members of senior management or to the Chairman of the Board.

34. Confidentiality

The proceedings and deliberations of the Board and its committees shall be confidential. Each director shall maintain the confidentiality of information received in connection with his or her service as a director.