

**AMENDED AND RESTATED CHARTER OF THE COMPENSATION
COMMITTEE
OF THE BOARD OF DIRECTORS OF CYREN LTD.**

Adopted December 2007 and amended effective July 1, 2013

Purpose:

The Compensation Committee is a standing committee of the Board of Directors (the “Board”) of CYREN Ltd. (“CYREN” or “Company”). The Board has delegated to the Compensation Committee responsibility in three areas:

- to review and determine all compensation arrangements for the executive officers of CYREN and, as may be required by applicable law, recommend the adoption of such arrangements by the audit committee and Board;
- to determine the overall strategy for compensation of CYREN’s employees, and supporting CYREN management in the implementation of such strategy; and
- to administer CYREN’s equity incentive plans, subject to the requirements prescribed from time to time by Israeli law, United States securities laws and regulations and the rules and regulations of The Nasdaq Stock Market, Inc. (“Nasdaq”) and any other market on which CYREN’s securities are traded.

Membership and Independence:

The Compensation Committee will be composed of at least three independent members of the Board. Each member of the Compensation Committee must meet the requirements established under Nasdaq and Israeli law rules and regulations. Generally, the Compensation Committee members must be free from any relationship that, in the opinion of the Board, would interfere with the exercise of their independent judgment as Compensation Committee members and, in this regard, the Board must determine whether the member is affiliated with the Company, a subsidiary of the Company or an affiliate of a subsidiary of the Company. A majority of members of the Compensation Committee must be “Outside Directors,” as defined under Israeli law, and the remaining member(s) shall be directors who do not receive direct or indirect compensation for their role as directors (other than compensation paid or given in accordance with Israeli Companies Law regulations applicable to the compensation of external directors, or amounts paid pursuant to indemnification and/or exculpation contracts or commitments and insurance coverage). The Compensation Committee may not include the chairman of the board, any director employed by or otherwise providing services on a regular basis to the Company, to a controlling shareholder or to any entity controlled by a controlling shareholder, any director whose main livelihood is dependent on a controlling shareholder, or a controlling shareholder or a relative thereof.

All members of the Compensation Committee will be appointed by a majority vote of the Board. A Compensation Committee member will continue to serve for so long as he or she remains a director, subject to earlier removal by a majority vote of the Board. The members of the Compensation Committee must appoint a chairperson by majority vote.

Duties and Responsibilities:

The principal duties of the Compensation Committee are set forth below. These duties are set forth as a guide, with the understanding that the Compensation Committee may supplement them as appropriate and may establish policies and procedures from time to time that it deems advisable in fulfilling its responsibilities. The Compensation Committee shall have reasonable access to CYREN personnel and documents as necessary to carry out its responsibilities.

1. Subject to any requirements prescribed by Israeli law, United States securities laws and the Nasdaq rules, the Compensation Committee shall determine CYREN's compensation strategy and propose an Executive Compensation Policy ("Policy") in accordance with applicable law.
2. The Compensation Committee shall annually review and approve the corporate goals and objectives relevant to executive officers' compensation, especially variable compensation, and ensure that all compensation to be paid to CYREN's executive officers meets with the Policy adopted by the Company (following presentation to shareholders for approval). The Compensation Committee shall evaluate the performance of executive officers in light of established goals and objectives, determine the appropriate terms of compensation and, to the extent required under applicable law, make all recommendations to the Board for their determinations regarding compensation (including salary, bonus, commission, and stock or option grants) paid to the executive officers of CYREN. The Compensation Committee shall ensure that in making any of the above determinations, the Company at all times is acting in accordance with the Policy.
3. The Compensation Committee will meet with CYREN's Chief Executive Officer before the end of each fiscal year to discuss the incentive compensation programs to be in effect for CYREN's executive officers for the following fiscal year and the corporate goals and objectives relevant to those programs. The Chief Executive Officer shall not be present during voting or any deliberations of the Compensation Committee as pertaining to the Chief Executive Officer's compensation terms.
4. The Compensation Committee shall annually review and make recommendations to the Board for its determination with respect to any cash-based and equity-based incentive compensation plans and arrangements, after taking into consideration CYREN's strategy of long-term and equity-based compensation and the requirements of the Policy. The Compensation Committee shall make recommendations to the Board for its determination regarding the adoption, termination or modification of such plans, and the appropriateness of the number of shares or the amounts reserved under the plans.
5. Subject to the provisions of Israeli law, United States securities laws, the Nasdaq rules and CYREN's equity incentive plans for employees (the "Stock Plans"), the Compensation Committee shall: (a) administer the Stock Plans in accordance with their terms; (b) recommend to the Board grants of stock, stock options or stock purchase rights to eligible individuals; and (c) interpret the Stock Plans and the related agreements.
6. The Compensation Committee shall periodically review analyses prepared by CYREN's Finance Department or outside consultants, relating to the form and amount of compensation to be paid or awarded to the members of the Board. The Compensation Committee will then make recommendations to the Board for its determination.

7. The Compensation Committee shall report to the Board on a regular basis on the major items covered at each Compensation Committee meeting and, as may be necessary under applicable law or CYREN policies, shall make appropriate recommendations to the Board and management.

8. The Compensation Committee shall perform such other appropriate functions as may be requested by the Board.

9. The Compensation Committee shall perform any other activities required by applicable law, rules or regulations, including Israeli law, United States securities laws, the rules and regulations of the Securities and Exchange Commission and the rules and regulations of Nasdaq.

Engagement of Advisors:

A. Subject to paragraph B below, the Compensation Committee will have the right, in its sole discretion, to retain or obtain advice of compensation consultants, legal counsel and other advisors (each an “Advisor” and collectively the “Advisors”) at the expense of CYREN, to assist the Compensation Committee in connection with its functions. The Compensation Committee shall have the direct responsibility and authority to approve the fees and other terms of such Advisors, to oversee their work and to terminate them if it deems proper. CYREN shall provide for appropriate funding, as determined by the Compensation Committee, for payment of compensation to any such Advisors employed by the Compensation Committee pursuant to this Charter.

B. The Compensation Committee may select, or receive advice from, an Advisor to the Compensation Committee, other than in-house legal counsel, only after taking into consideration the following six factors:

1. the provision of other services to the Company by the person that employs the Advisor;
2. the amount of fees received from the Company by the person that employs the Advisor, as a percentage of the total revenue of the person that employs the Advisor;
3. the policies and procedures of the person that employs the Advisor that are designed to prevent conflicts of interest;
4. any business or personal relationship of the Advisor with a member of the Compensation Committee;
5. any stock of the Company owned by the Advisor; and
6. any business or personal relationship of the Advisor or the person employing the advisor with an Executive Officer of the Company.

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

Meetings:

The Compensation Committee shall meet at least annually, or more frequently as circumstances dictate. The Compensation Committee may also act by unanimous written consent, though the Compensation Committee will make every reasonable effort to convene a meeting as its preferred method for all matters within its purview. Except to the extent otherwise provided by the Board, the Compensation Committee may make, alter and repeal rules for conducting its business. In the absence of such rules, the Compensation Committee shall conduct its business in the same manner as the Board conducts its business pursuant to the Amended and Restated Articles of Association of CYREN.

Reports and Minutes:

The Compensation Committee shall maintain minutes of each of its meetings. The minutes shall be filed in CYREN's book of minutes along with the minutes of meetings of the Board and other committees.

Review of Charter:

The Board shall periodically review this Charter and shall amend it as necessary.