

Charter of the Compensation Committee

I. COMPOSITION OF THE COMPENSATION COMMITTEE

The Board of Directors designates from its ranks not less than three independent Directors as members of the Compensation Committee. The Committee designates its Chairman.

II. TASKS AND DUTIES

The Compensation Committee shall have the following tasks and duties:

To review and approve the Company compensation philosophy and components

To determine the compensation of the CEO, review and approve the CEO's compensation recommendations for employees reporting directly to him as well as review matters related to the compensation of other top managers, as well as the general employee compensation, benefit policies and HR practices of the Company.

To review and recommend to the Board the CEO's objectives and and global incentive plans and evaluate performance against these.

To review and approve the compensation to be proposed to anyone who, upon being hired, will be reporting directly to the CEO.

The management keeps the Compensation Committee informed of other global HR projects and policies, which are being implemented or considered.

III. ORGANIZATION

A. Meetings

Meetings of the Committee are called by its chairman or upon request of one of its members. The Committee meets at least twice a year.

B. Participants

In general, the CEO and the Head of Corporate Services shall be invited to attend the meetings. The compensation of the CEO is not discussed in his presence.

C. Authority

- The Committee may request information directly or indirectly from all employees of the Actelion group and all employees are requested to cooperate.
- The Committee may hire external advisors, at the Company expenses if it deems that to be useful.

D. Information of the Board

The Committee shall record its resolutions. The minutes shall be made available to all members of the Board.