

TEVA PHARMACEUTICAL INDUSTRIES LIMITED

COMPENSATION COMMITTEE CHARTER

Status

The Compensation Committee (the "Committee") is a committee of the Board of Directors (the "Board").

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 standards and other applicable laws and regulations. The Committee shall include at least one statutory independent director qualified under the Israel Companies Law.

The Board may designate one member of the Committee as its chairperson.

Purpose

The purpose of the Committee is to carry out on behalf of the Board of Directors the responsibilities of the Board relating to compensation of the Company's CEO and other senior executive officers.

Duties and Responsibilities

The Committee is responsible for establishing annual and long-term performance goals and objectives for the Company's executive officers, as well as reviewing the overall compensation philosophy of the Company. This responsibility includes:

- (i) evaluating the performance of the CEO in light of approved performance goals and objectives, as well as evaluating, in consultation with the CEO, the performance of other senior executive officers identified by the Committee from time to time;
- (ii) preparing and regularly reviewing, in consultation with the Chairman of the Board, succession plans for the CEO; and in consultation with the CEO, performing such functions with regard to other senior executive officers;
- (iii) setting the compensation of the CEO based upon an evaluation of his performance, as well as, in consultation with the CEO, setting the compensation of other senior executive officers based on an evaluation of their performance;
- (iv) making recommendations to the Board of Directors with respect to cash-based incentive compensation plans, equity-based compensation

plans and other benefit plans with regard to the CEO and senior executive officers;

- (v) making proposals for the Board regarding directors remuneration to be submitted to the Company's shareholders for approval, in accordance with applicable Israeli law;
- (vi) administering the Company's stock plans in accordance with the authority granted by the Board; and
- (vii) granting options and awards under the global multi-year, annual and any other equity incentive plans, as may be established from time-to-time, including grants of options and awards to the CEO and other senior executive officers.

As part of the Committee's responsibility to administer the Company's stock plans, the Committee may authorize a specific framework for the granting of awards and authorize boards or committees (as the case may be) of the Company's subsidiaries to issue certain awards.

The Committee shall also annually review its own performance.

In determining the long-term incentive component of the compensation of the Company's CEO and other executive officers, the Committee may consider: (i) the Company's performance and relative shareholder return; (ii) the value of similar incentive awards to chief executive officers at comparable companies, and (iii) any such other factors as the Committee deems appropriate.

The Committee may, in its sole discretion, employ a compensation consultant to assist in the evaluation of the compensation of the Company's CEO or other executive officers. The Committee shall have the sole authority to approve the fees and other retention terms with respect to such a compensation consultant. The Committee also has the authority, as necessary and appropriate, to consult with other outside advisors to assist in its duties to the Company.

Meeting

The Committee shall meet at least two times 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.

Charter Amendment

Any member of the Committee may submit proposed Charter amendments to the Board. The Board shall circulate any proposed amendments to this Charter to members of the Committee promptly upon receipt. By a majority vote, the Board may approve amendments to this Charter.

Approved by the Board of Directors and effective 27 January 2008.