

NUVECTIS PHARMA, INC.
CORPORATE GOVERNANCE GUIDELINES

The following Corporate Governance Guidelines (these “Guidelines”) have been adopted by the Board of Directors (the “Board”) of Nuvectis Pharma, Inc. (the “Company”) to assist the Board in the exercise of its responsibilities to the Company and its stockholders. These guidelines reflect the Board’s commitment to monitoring the effectiveness of policy and decision making both at the Board and management level, with a view to enhancing stockholder value over the long term. These Guidelines should be interpreted in the context of all applicable laws and the Company’s Certificate of Incorporation, Bylaws and other corporate governance documents, and are intended to serve as a flexible framework within which the Board may conduct its business and not as a setoff legally binding obligations. These Guidelines are subject to modification by the Board, and the Board shall be able, in the exercise of its discretion, to deviate from these Guidelines from time to time, as the Board may deem appropriate or as required by applicable laws and regulations. The most updated version of these Guidelines is posted on the Company’s website.

1. ROLE OF THE BOARD

The basic responsibility of directors is to exercise their business judgment to act in what they reasonably believe is in the best interests of the Company and its stockholders. In discharging that obligation, directors should be entitled to rely on the honesty and integrity of the Company’s senior executives and its outside advisors and auditors. The Board is responsible for oversight of the business and affairs of the Company, determination of the Company’s mission, long-term strategy and objectives and management of the Company’s risks.

In addition to its general oversight of management, the Board or its committees perform the following principal functions:

- Review, evaluate, and, where appropriate, approve the Company’s business strategies and long-term plans, and evaluate its performance against such plans;
- Review, evaluate and approve major corporate actions;
- Oversee management’s efforts to establish and maintain for the Company appropriate standards of legal and ethical conduct, including with respect to the integrity of the Company’s accounting, financial reporting and finance processes and systems of internal control, compliance with law and the Company’s Code of Business Conduct and Ethics; and
- Select, evaluate, and compensate the Company’s executive officers and review management succession planning.

In discharging responsibilities as a director, a director is entitled to rely in good faith on reports or other information provided by Company management, independent auditors, and other persons as to matters the director reasonably believes to be within such other person’s professional or expert competence and who has been selected with reasonable care by or on behalf of the Company.

The directors shall also be entitled (i) to have the Company purchase reasonable directors' and officers' liability insurance on their behalf, (ii) to the benefits of indemnification to the fullest extent permitted by law and the Company's Certificate of Incorporation, Bylaws and any indemnification agreements and (iii) to exculpation as provided by state law and the Company's Certificate of Incorporation and Bylaws. The Board is authorized to conduct investigations, and to retain, at the expense of the Company, independent legal, accounting, investment banking, or other professional advisers selected by the Board, for any matters relating to the purpose or responsibilities of the Board.

2. BOARD COMPOSITION, STRUCTURE AND POLICIES

A. Board Selection

The independent directors of the Board shall make recommendations to the Board, and will be responsible for nominating members for election to the Board and for filling vacancies on the Board that may occur between annual meetings of stockholders.

B. Director Qualifications

The Board will have a majority of directors who qualify as independent pursuant to Nasdaq Listing Rule 5605(b); provided, however, that the Company may avail itself of any exemption or grace period from such requirement available to it under the rules of Nasdaq, including the "controlled company" exemption. In order for a director to qualify as independent, the Board must affirmatively determine that such director is independent and disclose that determination, to the extent required.

The independent directors of the Board are responsible for developing the criteria for, and reviewing periodically with the Board, the requisite skills, and characteristics of new Board members, as well as the composition of the Board as a whole. These criteria will include members' independence, as well as consideration of diversity, age, skills, and experience, in the context of the needs of the Board. The independent directors also will consider a combination of factors for each nominee, including (a) the nominee's ability to represent all stockholders without a conflict of interest, (b) the nominee's ability to work in and promote a productive environment, (c) whether the nominee has sufficient time and willingness to fulfill the substantial duties and responsibilities of a director, (d) whether the nominee has demonstrated the high level of character, ethics and integrity expected by the Company, (e) whether the nominee possesses the broad professional and leadership experience and skills necessary to effectively respond to the complex issues encountered by a publicly-traded company, (f) the nominee's ability to apply sound and independent business judgment and (g) the diverse attributes of the nominee, such as differences in background, qualifications and personal characteristics. Nominees for directorship will be recommended to the Board for approval. The invitation to join the Board should be extended on behalf of the Board by the Chair of the Board (the "Chair"), if any, or such other director designated by the Board.

C. Election of Directors

Directors shall be elected annually, on a three-year rotating basis by class, and the size of the Board shall be set from time to time, consistent with the Bylaws, Certificate of Incorporation and any applicable stockholders or related agreement.

D. Changes in Primary Employment

If a director significantly changes his or her primary employment or responsibilities during his or her tenure, that director must notify the chair of the Board. The independent directors will evaluate the continued appropriateness of Board membership under the new circumstances and make a recommendation to the Board as to any action to be taken with respect to such circumstances.

When an officer who is also a member of the Board resigns, retires, or is otherwise terminated as an officer of the Company, he or she must submit his or her resignation from the Board for consideration. Whether the resignation is accepted or rejected is a matter for consideration by the Board.

E. Limits on Board Positions at Other Companies

Directors should not serve on more than five other boards of public companies in addition to the Company's Board. No director that is an executive officer of a public company may serve on more than two public company boards (including the Company's Board). No member of the Audit Committee may serve simultaneously on the audit committee of more than three public companies (including the Company's Audit Committee). Directors are expected to advise the Chair, if any, and if none, the entire Board in advance of accepting an invitation to serve on another public company board or assignment to any other public company's audit or compensation committee. No director shall serve as a director, officer, or employee of a competitor of the Company

F. Retirement of Directors

No director may be nominated to a new term if he or she would be age 74 or older at the time of the election, unless such director is also the Chief Executive Officer of the Company, or the independent directors waive the mandatory retirement age for such director. Any director who turns age 75 while serving as a director may continue to serve as a director for the remainder of his or her then current term.

G. Term Limits

The Board does not believe it should establish term limits. Such limits may lose the contribution of directors who have been able to develop, over a period of time, increasing insight into the Company and its operation and therefore provide an increasing contribution to the Board. Directors who have served on the Board for an extended period of time are in a position to provide valuable insight into the operation and future of the Company based on their experience with and

understanding of the Company's history, policies, operations and objectives. The Board believes that, as an alternative to term limits, it can ensure that the Board continues to evolve and adopt new viewpoints through the evaluation and selection process described herein.

3. BOARD OPERATIONS

A. Chairman of the Board

The Board has the flexibility to decide whether it is in the best interests of the Company, at any given point in time, for the roles of the Chief Executive Officer and Chairman of the Board to be separate or combined.

B. Board Meetings

i. Director Commitment and Attendance. Absent unusual circumstances, directors are expected to attend all or substantially all Board meetings and meetings of the committee(s) on which they serve. Directors are expected to devote sufficient time and attention to prepare for, attend, and participate in Board meetings and meetings of committee(s) on which they serve, including and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities. Each director is expected to ensure that other existing and planned future commitments do not materially interfere with the member's service as a director of the Company. Directors are also expected to attend annual meetings of the Company's stockholders, absent a valid reason.

ii. Agenda. The Chairman of the Board shall work with the Chief Executive Officer and establish the agenda for each Board meeting. Any director may suggest items for inclusion on the agenda and may raise subjects that are not on the agenda for that meeting. The Board shall review the Company's financial performance and business strategies and practices on at least an annual basis.

iii. Advance Distribution of Board Materials. To the extent practical and appropriate, meeting agendas, as well as information and data that are important to the Board's understanding of the business to be conducted at a Board or committee meeting, should generally be distributed in writing to the directors in advance of the meeting for review by the directors. Sensitive subject matters may be discussed at the meeting without written materials being distributed in advance or at the meeting. Directors are expected to review such materials prior to the meeting and should request any additional materials or resources they require to make informed decisions.

iv. Executive Sessions. The Company's independent directors are expected to meet in executive session at each regular scheduled Board meeting.

4. BOARD COMMITTEES

A. Committees and Charters

The Board shall have an Audit Committee and a Compensation Committee. Each committee will perform its duties as assigned by the Board in compliance with the Company's Bylaws, and shall have a charter that establishes the purposes, goals, and responsibilities of the committees as well as the qualifications for committee membership. Committee charters will be posted on the Company's website. The Board may establish or maintain additional committees from time to time as necessary or appropriate.

B. Committee Membership

The members of the Audit Committee and Compensation Committee shall be independent in accordance with the provisions of the Nasdaq listing requirements, and any other applicable rules or regulations. Committee members will be appointed annually by the Board. Each committee will have a chairman designated by the Board, or, if the Board does not do so, the members of each committee shall elect a chairman by a vote of the majority of the full committee.

C. Committee Meetings, Agendas and Reports

The chairman of each committee shall preside at each committee meeting and, in consultation with the other members of that committee and in a manner consistent with the committee's charter, shall set the frequency and length of committee meetings. The chairman of each committee, in consultation with members of the committee and the Company's senior management, shall also set the agenda of items to be addressed at each meeting. To the extent practical and appropriate, the chairman of each committee shall ensure that the agenda for each meeting is circulated to each committee member in advance of the meeting. Committee members may suggest additional agenda items and may raise subjects that are not on the agenda. Each committee shall report regularly to the full Board with respect to its activities in a manner consistent with its charter.

5. ACCESS TO MANAGEMENT AND INDEPENDENT ADVISORS

Directors have full access to the executive officers of the Company and the Company's outside advisors. Each director is expected to use his or her judgment to ensure that any such contact is not disruptive to the business operations of the Company and will, to the extent appropriate, coordinate any such contact with the Chairman or the Chief Executive Officer.

Legal counsel, outside accountants, compensation experts and other advisors may assist the Board in its consideration of matters. The Board and any Board committee has the right to retain outside financial, legal, and other outside advisors of its choice with respect to any issues relating to its activities, at the Company's expense.

6. DIRECTOR ORIENTATION AND CONTINUING EDUCATION

A newly elected director shall be provided with an orientation program designed to educate the new director about the Company, its policies and procedures and its business activities. This orientation program shall include briefings by senior management to familiarize new directors with the Company's Articles of Incorporation, Bylaws, Board Committee charters, the Company's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its Code of Business Conduct and Ethics, Corporate Governance Guidelines, its principal officers, and its internal and independent auditors.

Each director is expected to be involved in continuing director education on an ongoing basis to enable him or her to better perform his or her duties.

7. CHIEF EXECUTIVE OFFICER EVALUATION AND MANAGEMENT SUCCESSION

The Compensation Committee shall review and approve corporate goals and objectives relevant to Chief Executive Officer compensation and shall evaluate the Chief Executive Officer's performance in light of these goals and objectives. The Compensation Committee shall recommend to the Board the Chief Executive Officer's compensation level or changes to such level based on the evaluation of the Chief Executive Officer's performance and any other factors the Committee deems relevant.

The entire Board will work with together to evaluate potential successors to the Chief Executive Officer. The Chief Executive Officer or other officer should make available his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals.

8. DIRECTOR COMPENSATION

The form and amount of director compensation will be determined by the Compensation Committee in accordance with its charter, which will conduct an annual review of director compensation. Director compensation shall be in an amount which is competitive with the market and is geared towards attracting and retaining highly qualified, independent professionals to represent the Company's stockholders. The Board will consider a director's compensation when determining such director's independence. No additional compensation is paid to members of management for serving on the Board.