

NOMINATING COMMITTEE CHARTER

I. Nominating Committee Purpose

The purpose of the Nominating Committee (the “Committee”) of the Board of Directors of Acorn Energy, Inc. (the “Company”) is to identify, evaluate, recruit and select qualified candidates for election, re-election, or appointment to the Board.

II. Nominating Committee Membership, Qualifications and Procedure

The Committee shall consist of at least two directors. All members shall be independent in accordance with applicable NASDAQ rules. At the discretion of the Committee, the Chief Executive Officer shall attend meetings in an advisory, non-voting capacity. The Committee members will be appointed by the Board annually and may be removed by the Board in its discretion. The Board shall appoint one member of the Committee as its chairperson.

The Nominating Committee will meet (either in person or by conference telephone or other means by which the Nominating Committee is permitted to meet) at least once a year and at such other times as it considers necessary or appropriate to carry out its responsibilities. Any of the chairman of the Nominating Committee, the chairman of the Board or the Company’s Chief Executive Officer may call meetings of the Nominating Committee.

The Nominating Committee will record and maintain minutes of its meetings. The chairman of the Nominating Committee or a Nominating Committee member designated by the chairman will make a report to the Board of the Nominating Committee’s meetings, actions taken at meetings or by consent and recommendations made since the most recent Board meeting, in each case except to the extent such matter or matters have been addressed in an interim report circulated by the Nominating Committee.

III. Nomination Policy

The Committee believes that it is in the best interest of the Company and its shareholders to obtain highly qualified candidates to serve as members of the Board. The Committee will both seek, and consider in response to properly-submitted shareholder recommendations, candidates for election and appointment with excellent decision-making ability, business experience, technical, professional or educational background, personal integrity and reputation. Committee members will not vote on his or her own nomination to serve on the Board of Directors for an additional term. All nominations shall be made in a manner consistent with the provisions of the Company’s Bylaws.

IV. Nominating Committee Authority and Responsibilities

The authority and responsibilities of the Nominating Committee are as follows:

A. Annually identify, recruit and select qualified nominees to stand for election or reelection as directors at the annual meeting of shareholders.

B. Annually, as well as when vacancies occur, identify and recommend to the Board members to be appointed to the Audit Committee and Compensation Committee.

C. In the case of a vacancy in the office of a director (including a vacancy created by an increase in the size of the Board), select and recommend to the Board a qualified candidate to fill such vacancy.

D. Before selecting a nominee for election or re-election or recommending a director to fill a vacancy, review and evaluate (i) his or her qualifications, including judgment, skill, capability, ability to serve, conflicts of interest, business experience, the interplay of the candidate's experience with that of the other Board members, and the extent to which a candidate would be a desirable addition to the Board and any committee of the Board, (ii) if applicable to the nominee, whether the nominee would be deemed "independent" under applicable NASDAQ rules and Securities and Exchange Commission regulations, (iii) whether the nominee is qualified and likely to remain qualified to serve under the Company's Bylaws and (iv) such other factors the Committee deems relevant.

E. In addition to using the same evaluation factors as established for new director candidates, consider the past participation and contribution of incumbent directors in determining whether to select them for re-election to the Board.

F. Maintain an active file of suitable candidates for consideration as future nominees to the Board.

G. Provide oversight for all Director training and new Director orientation.

H. Review this charter annually and recommend any proposed changes to the Board.

I. The Committee shall annually review its own performance and the performance of the Board of Directors.

J. Under the guidance and with the approval of the Board of Directors, the Committee shall have the authority to retain and terminate any consultant to be used to assist in the search or evaluation process of director or officer candidates and shall have authority to approve the consultant's fees and other retention terms. In addition, under the guidance and with the approval of the Board of Directors, the Committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors. Unless otherwise instructed by the Board of Directors, consultants or other counselors hired by the Committee shall be instructed to report directly to the Committee, which shall report the results of any study to the Board of Directors at its next regular meeting.

K. The Committee shall receive appropriate funding from the Company, as determined by the Committee, for the payment of its consultants, outside counsel and any other advisors used to conduct the work of the Committee.

Adopted: October 17, 2011