

## **CHARTER OF THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS**

Adopted December, 2004

### **Purpose:**

The Compensation Committee is a standing committee of the Board of Directors (the “Board”) of Check Point Software Technologies Ltd. (“Check Point”). The Board has delegated to the Compensation Committee responsibility in three areas:

- to review and recommend to the Board for its determination all compensation arrangements for the executive officers of Check Point;
- to determine the overall strategy for compensation of Check Point’s employee; and
- to administer Check Point’s equity incentive plans, subject to the requirements prescribed from time to time by Israeli law, United States securities laws and regulations, or the rules and regulations of The Nasdaq Stock Market, Inc. (“Nasdaq”).<sup>1</sup>

### **Membership:**

The Compensation Committee will be composed of at least two members of the Board. Each member of the Compensation Committee must meet the requirements established under the Nasdaq rules. The Compensation Committee members must also 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.

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 may 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 Check Point personnel and documents as necessary to carry out its responsibilities. The Compensation Committee may delegate authority to subcommittees of the Compensation Committee with respect to compensation determinations for persons who are not executive officers of Check Point.

---

<sup>1</sup>If Check Point’s securities are traded on or through any other market, the references in this Charter to Nasdaq apply equally to such other market.

1. Subject to any requirements prescribed by Israeli law, United States securities laws and the Nasdaq rules, the Compensation Committee shall determine Check Point's compensation strategy.
2. The Compensation Committee shall annually review and approve the corporate goals and objectives relevant to executive officers' compensation, and establish the specific procedures for determining all compensation to be paid to Check Point's executive officers. The Compensation Committee shall evaluate the performance of executive officers in light of established goals and objectives and make all recommendations to the Board for its determination regarding compensation (including salary, bonus and commission, but excluding stock or option grants) paid to the executive officers of Check Point. The Compensation Committee will make recommendations to the Board for its determination regarding executive stock or option grants.
3. The Compensation Committee will meet with Check Point's Chief Executive Officer within 90 days after the commencement of each fiscal year to discuss the incentive compensation programs to be in effect for Check Point's executive officers for such fiscal year and the corporate goals and objectives relevant to those programs.
4. The Compensation Committee shall annually review and make recommendations to the Board for its determination with respect to cash-based and equity-based incentive compensation plans and arrangements, after taking into consideration Check Point's strategy of long-term and equity-based compensation. 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 Check Point'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 annually review analyses prepared by Check Point'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 shall make appropriate recommendations to the Board and management.
8. The Compensation Committee shall annually conduct an evaluation of its own performance.

9. The Compensation Committee shall perform such other appropriate functions as may be requested by the Board.
10. 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.
11. The Compensation Committee will have the right, when it determines appropriate, to retain compensation consultants, legal counsel and other advisors at the expense of Check Point, to assist the Compensation Committee in connection with its functions. The Compensation Committee shall have the authority to approve the fees and other terms of such advisors, and to terminate them if it deems proper. Check Point 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.

**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. Except to the extent otherwise provided by the Board, the Compensation Committee may make, alter and repeal rules for the conduct of 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 articles of association of Check Point. All such meetings or action shall meet the requirements of Nasdaq.

**Reports and Minutes:**

The Compensation Committee shall maintain minutes of each of its meetings. The minutes shall be filed in Check Point's minute book along with the minutes of meetings of the Board. The Compensation Committee will record its recommendations to the Board in written reports. These reports will be incorporated as part of the minutes of the Board meeting at which those recommendations are presented.

**Review of Charter:**

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