

CHECK POINT SOFTWARE TECHNOLOGIES LTD.

**Diamond Tower
3A Jabotinsky Street
Ramat Gan 52520, Israel**

PROXY STATEMENT

EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

January 13, 2000

Notice is hereby given of an Extraordinary General Meeting of Shareholders (the "Meeting") of Check Point Software Technologies Ltd. (the "Company"), to be held on January 13, 2000 at 11:00 A.M., at the principal executive offices of the Company at the address that appears above.

This Proxy Statement is furnished to the holders of Ordinary Shares, NIS 0.01 nominal value (the "Ordinary Shares"), of the Company in connection with the solicitation by the Board of Directors of proxies for use at the Meeting or at any adjournment thereof. It is proposed that resolutions be adopted at the meeting as follows: (1) Special Resolutions to increase the number of authorized Ordinary Shares of the Company to 500,000,000 and to amend the Company's Articles of Association accordingly; (2) subject to the adoption of the foregoing Special Resolutions, an Ordinary Resolution to approve the distribution of bonus shares (a stock dividend) at the rate of one Ordinary Share for each Ordinary Share held as of the close of the Company's share register on January 23, 2000; and (3) a Special Resolution to amend the Company's Articles of Association to allow the Board of Directors to distribute bonus shares (stock dividends) without the need for shareholder approval, subject to applicable law.

A form of proxy for use at the meeting is attached. Shareholders should follow the instructions on the proxy voting card. Shareholders may revoke the authority granted by their execution of proxies at any time before the exercise thereof by filing with the Company a written notice of revocation or duly executed proxy bearing a later date, or by voting in person at the meeting. Unless otherwise indicated on the form of proxy, shares represented by any proxy in the attached form, if the proxy is properly executed and received by the Company prior to the meeting, will be voted in favor of the proposed resolutions to be presented to the meeting, as described above.

Proxies for use at the meeting are being solicited by the Board of Directors of the Company. Only shareholders of record at the close of business on December 17, 1999 will be entitled to vote at the Meeting. Proxies are being mailed to shareholders on or about December 23, 1999 and will be solicited chiefly by mail; however, certain officers, Directors, employees and agents of the Company, none of whom will receive additional compensation therefor, may solicit proxies by telephone, telegram or other personal contact. The Company will bear the cost of the solicitation of the proxies, including postage, printing and handling, and will reimburse the reasonable expenses of brokerage firms and others for forwarding material to beneficial owners of shares.

On November 30, 1999 the Company had outstanding 37,914,539 Ordinary Shares, each of which is entitled to one vote upon each of the matters to be presented at the Meeting. Two or more shareholders, present in person or by proxy and holding shares conferring in the aggregate more than 50% of the voting power of the Company, will constitute a quorum at the Meeting. If within half an hour from the time appointed for the meeting a quorum is not present, the Meeting will be adjourned to the same day in the next week, at the same time and place, or to such day and at such time and place as the Chairman may determine with the consent of the holders of a majority of the voting power represented at the Meeting in person or by proxy and voting on the question of adjournment. At such adjourned Meeting, any two shareholders, present in person or by proxy, will constitute a quorum.

**ITEM 1 — PROPOSAL TO INCREASE THE COMPANY'S
AUTHORIZED SHARE CAPITAL AND THE
NUMBER OF AUTHORIZED ORDINARY SHARES**

The Company's authorized share capital currently consists of NIS 1,000,000, divided into 5,000,000 (five million) Preferred Shares, nominal value NIS 0.01 per share, 94,999,000 (ninety four million, nine hundred and ninety nine thousand) Ordinary Shares, nominal value NIS 0.01 per share, and 10 (ten) Deferred Shares, nominal value NIS 1.00 per share. On November 30, 1999 the Company had outstanding 37,914,539 Ordinary Shares. Assuming that the distribution of bonus shares (a stock dividend) proposed in Item 2 had been effected on such date, and assuming the issuance of all shares currently reserved for issuance pursuant to the Company's stock option plans and employee stock purchase plans, the Company would have had substantially all of the authorized Ordinary Shares outstanding on November 30, 1999. Management believes that it is in the best interests of the Company to assure that the Company has an adequate reserve of authorized but unissued capital, in order to allow the Company to issue securities in order to raise capital, to attract and retain highly qualified personnel, and for other corporate purposes.

It is proposed that the following Special Resolutions be adopted at the Meeting:

RESOLVED, to increase the authorized share capital of the Company to NIS 5,050,010 and the number of authorized Ordinary Shares of the Company to 500,000,000.

FURTHER RESOLVED, that Article 3(a) of the Company's Articles of Association be amended to read as follows:

(a) The authorized share capital of the Company is NIS 5,050,010, divided into 5,000,000 (five million) Preferred Shares, nominal value NIS 0.01 per share, 500,000,000 (five hundred million) Ordinary Shares, nominal value NIS 0.01 per share, and 10 (ten) Deferred Shares, nominal value NIS 1.00 per share.

The affirmative vote of the holders of not less than 75% of the voting power represented at the meeting in person or by proxy and voting thereon is necessary for the approval of the Special Resolutions to increase the Company's authorized share capital and amend the Company's Articles of Association accordingly. **The Board of Directors recommends that the shareholders vote "FOR" the approval of these Special Resolutions.**

**ITEM 2 — PROPOSAL TO APPROVE
THE DISTRIBUTION OF BONUS SHARES**

Management believes that the market price of the Ordinary Shares has recently reached a level that does not facilitate trading in the Ordinary Shares. The Board of Directors is therefore recommending, subject to approval of the proposed increase in the Company's authorized share capital as described in Item 1, that the Company distribute bonus shares (a stock dividend) at the rate of one Ordinary Share for each Ordinary Share held as of the close of the Company's share register on January 23, 2000. The effect will be to double the number of Ordinary Shares held by each shareholder.

It is proposed that the following Ordinary Resolutions be adopted at the Meeting:

RESOLVED, subject to the shareholders' approval of a proposed resolution to increase the Company's authorized share capital, to capitalize such amount out of the premiums received on the issuance of shares and standing to the credit of the share premium account as will allow the distribution of, and issue and distribute the same in the form of, bonus shares among all of the holders of outstanding Ordinary Shares of the Company as of the close of the Company's share register on January 23, 2000, so that each holder of Ordinary Shares shall receive one bonus share for each Ordinary Share held at such time.

FURTHER RESOLVED, that in accordance with Article 57 of the Company's Articles of Association, a proper contract, if requisite, shall be filed in accordance with Section 130 of the Companies

Ordinance, and each of Messrs. Gil Shwed and Marius Nacht are hereby appointed to sign such contract by his sole signature on behalf of the persons entitled to the dividend or capitalized fund.

The affirmative vote of the holders of a majority of the voting power represented at the meeting in person or by proxy and voting thereon is necessary for the approval of the distribution of the bonus shares. **The Board of Directors recommends that the shareholders vote “FOR” the approval of these Ordinary Resolutions.**

**ITEM 3 — PROPOSAL TO AMEND THE COMPANY’S
ARTICLES OF ASSOCIATION TO ALLOW THE
DISTRIBUTION OF BONUS SHARES IN THE FUTURE
WITHOUT THE NEED FOR SHAREHOLDER APPROVAL**

As noted above under Item 2, Article 56 of the Company’s Articles of Association currently requires the approval of the Company’s shareholders for the distribution of bonus shares (a stock dividend). The Company believes that upon the effectiveness of Israel’s new Companies Law, 5759-1999, which is scheduled to take effect on February 1, 2000, it will be possible to distribute bonus shares (stock dividends) without the need for shareholder approval, provided that the Company’s Articles of Association so provide. The Company’s Board of Directors is therefore recommending that the Articles of Association be amended to allow the Board of Directors to distribute bonus shares (stock dividends) without the need for shareholder approval, subject to applicable law.

It is proposed that the following Special Resolution be adopted at the Meeting:

RESOLVED, that Article 56 of the Company’s Articles of Association be amended to read as follows:

56. Payment in Specie

Upon resolution by the Board of Directors, ratified by Ordinary Resolution of the Company if (but only if) required by law, the Company (i) may cause any moneys, investments, or other assets forming part of the undivided profits of the Company, standing to the credit of a reserve fund, to the credit of a reserve fund for the redemption of capital or in the hands of the Company and available for dividends, or representing premiums received on the issuance of shares and standing to the credit of the share premium account, to be capitalized and distributed among such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportion, on the footing that they become entitled thereto as capital, or may cause any part of such capitalized fund to be applied on behalf of such shareholders in paying up in full, either at par or at such premium as the resolution may provide, any unissued shares or debentures or debenture stock of the Company which shall be distributed accordingly, in payment, in full or in part, of the uncalled liability on any issued shares or debentures or debenture stock; and (ii) may cause such distribution or payment to be accepted by such shareholders in full satisfaction of their interest in the said capitalized sum.

The affirmative vote of the holders of not less than 75% of the voting power represented at the meeting in person or by proxy and voting thereon is necessary for the approval of the Special Resolution to amend the Company’s Articles of Association to allow the Board of Directors to distribute bonus shares (stock dividends) without the need for shareholder approval, subject to applicable law. **The Board of Directors recommends that the shareholders vote “FOR” the approval of this Special Resolution.**

OTHER BUSINESS

Management knows of no other business to be transacted at the Meeting; however, if any other matters are properly presented to the Meeting, the persons named in the enclosed form of proxy will vote upon such matters in accordance with their best judgment.

By Order of the Board of Directors.

GIL SHWED
Chairman of the Board of Directors

Dated: December 17, 1999