

CHECK POINT SOFTWARE TECHNOLOGIES LTD.

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

PROXY STATEMENT

ANNUAL GENERAL MEETING OF SHAREHOLDERS

July 27, 2000

Notice is hereby given of the Annual General Meeting of Shareholders (the "Meeting") of Check Point Software Technologies Ltd. (the "Company"), to be held on July 27, 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 proxy cards for use at the Meeting or at any adjournment thereof. It is proposed that resolutions be adopted at the Meeting as follows: (1) to elect 6 Directors for the coming year; (2) as required by Israeli law, to authorize the Chairman of the Board to continue serving as President and Chief Executive Officer of the Company for up to three years following the Meeting; (3) to approve the Consolidated Financial Statements of the Company for the year ended December 31, 1999; (4) to ratify the appointment of Kost Forer & Gabbay, a member of Ernst & Young International, as the independent public accountants of the Company for the year ending December 31, 2000; (5) to amend the Company's Articles of Association to allow the Company to make charitable contributions; (6) to amend the Company's Articles of Association to allow indemnification of Directors and Office Holders to the maximum extent permitted by Israeli law; (7) to amend the Automatic Option Grant Program under the U.S. Plan to provide for the Board of Directors to determine the number of options to be issued to non-employee Directors upon each re-election, but not more than the number that was previously approved by shareholders; (8) to approve certain terms of remuneration of non-employee Directors of the Company; and (9) to approve certain terms of compensation of officers who are also Directors of the Company.

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

Proxy cards 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 June 19, 2000 will be entitled to vote at the Meeting. Proxy cards are being mailed to shareholders on or about June 29, 2000 and will be solicited chiefly by mail; however, certain officers, Directors, employees and agents of the Company, none of whom will receive additional compensation for these services, may solicit proxy cards by telephone, telegram or other personal contact. The Company will bear the cost of the solicitation of the proxy cards, 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 June 19, 2000 the Company had outstanding 77,308,200 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. Under Israeli law, if a quorum is present in person or by proxy, broker non-votes and abstentions will have no effect on whether the requisite vote is obtained, as they do not constitute present and voting shares.

**BENEFICIAL OWNERSHIP OF SECURITIES
BY CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth certain information regarding beneficial ownership of the Company's Ordinary Shares as of June 19, 2000 for (i) each person who is known by the Company to own beneficially more than ten percent of the Company's outstanding Ordinary Shares, and (ii) all current executive officers and Directors as a group.

<u>Name and Address of Ten Percent Shareholders, Officers and Directors(1)</u>	<u>Number of Shares Beneficially Owned(2)</u>	<u>Percentage of Shares Beneficially Owned</u>
Gil Shwed	8,316,332	10.76%
Marius Nacht.....	7,833,932	10.13%
All Directors & executive officers as a group (8 persons)	21,509,676	27.82%

- (1) Unless otherwise indicated, the address for each listed shareholder is c/o Check Point Software Technologies Ltd., 3A Jabotinsky Street, Ramat-Gan 52520, Israel. Except as indicated in the footnotes to this table and pursuant to applicable community property laws, the persons named in the table have sole voting and investment power with respect to all Ordinary Shares.
- (2) The number of Ordinary Shares beneficially owned includes the shares issuable pursuant to stock options that are exercisable within 60 days of June 19, 2000. Shares issuable pursuant to stock options are deemed outstanding for computing the percentage of the person holding such options but are not outstanding for computing the percentage of any other person.

ITEM 1 — ELECTION OF DIRECTORS (OTHER THAN OUTSIDE DIRECTORS)

In accordance with the Company's Articles of Association, the Company's shareholders last fixed the number of Directors at 10. There are currently 8 members of the Board of Directors of the Company.

In accordance with Israel's new Companies Law and the regulations promulgated under the Companies Law, the Company was required to appoint two Outside Directors by no later than August 1, 2000. The Outside Directors must meet certain statutory requirements of independence. The term of office of an Outside Director is three years, and an Outside Director can be removed from office only under very limited circumstances. Both of the Outside Directors must serve on the Company's statutory audit committee, and at least one Outside Director must serve on each committee of the Board of Directors. On June 29, 2000, the Board of Directors appointed Irwin Federman and Ray Rothrock as Outside Directors. Therefore, Messrs. Federman and Rothrock are not required to stand for reelection at the Meeting. Biographical information concerning Messrs. Federman and Rothrock follows for informational purposes only.

Irwin Federman has served as a Director of the Company since November 1995. Mr. Federman has been a General Partner of U.S. Venture Partners, a venture capital firm, since April 1990. From 1988 to 1990, he was a Managing Director of Dillon Read & Co., an investment banking firm, and a general partner in its venture capital affiliate, Concord Partners. Mr. Federman is a Director of Centillium Communications, Inc., Komag Incorporated, MMC Networks, Inc., NeoMagic Inc., Netro Corporation, Nuance Communications, Inc., QuickLogic, Inc., SanDisk Corp. and a number of private companies. Mr. Federman received a B.S. in Economics from Brooklyn College.

Ray Rothrock has served as a Director of the Company since November 1995. Mr. Rothrock has been a member of Venrock Associates, a venture capital firm, since 1988 and a General Partner of Venrock Associates since 1995. Mr. Rothrock is also a Director of Fogdog Sports, Inc., USinternetworking, and a number of private companies. Mr. Rothrock received a B.S. in engineering from Texas A&M University, an M.S. from the Massachusetts Institute of Technology and an M.B.A. from the Harvard Business School.

Shareholders are being asked to reelect the current Directors, other than the Outside Directors. Management recommends that the following six nominees be elected to the Board of Directors at the Meeting, each to serve until the next annual meeting of shareholders.

Gil Shwed, a co-founder of the Company, has served as the Company's President and Chief Executive Officer and as a Director of the Company since its inception in July 1993. Mr. Shwed has been Chairman of the Board of the Company since July 1998.

Marius Nacht, a co-founder of the Company, has served as the Company's Senior Vice President since January 1, 1999. Mr. Nacht served as the Company's Vice President of International Operations from September 1995 until December 1998, and from July 1993 to September 1995 Mr. Nacht served as a Vice-President of the Company. Mr. Nacht has served as a Director of the Company since its inception in July 1993. Mr. Nacht received a Masters degree in Electrical Engineering and Communication Systems from Tel Aviv University, as well as a B.S. in Physics and Mathematics from Hebrew University of Jerusalem.

Shlomo Kramer, a co-founder of the Company, served as the Company's Executive Vice President from October 1996 until December 1998, and served as Vice President of Product and Business Development from October 1995 to October 1996. From July 1993 to October 1995, Mr. Kramer served as a Vice President of the Company. Mr. Kramer has served as a Director of the Company since its inception in July 1993. Mr. Kramer received a Masters degree in Computer Science from Hebrew University of Jerusalem as well as a B.S. in Mathematics and Computer Science from Tel Aviv University.

David Rubner is Chairman and Chief Executive Officer of Rubner Technology Ventures Ltd. From 1991 until recently he was President and Chief Executive Officer of ECI Telecommunications Ltd., Israel's largest high-tech company. Prior to his appointment he held the positions of Chief Engineer, Vice President of Operations and Executive Vice President and General Manager of the Telecommunications Division. Mr. Rubner holds a B.S. degree in Engineering from Queen Mary College, University of London and an M.S. degree from Carnegie Mellon University. Mr. Rubner is a member of the Presidium of the Electronics Industries Association and was recipient of the Industry Prize in 1995.

Dr. Tal Shavit is an organizational consultant who heads her own consulting firm, "Insight", which she founded 12 years ago. Dr. Shavit specializes in consulting to global high-tech companies, as well as venture capitalists and start-ups, on international collaboration, mergers and acquisitions, and rapid organizational growth. She also lectures at the Technion-Israel Institute of Technology and the New York Polytechnic University on issues relating to high-tech management.

Alex Serge Vieux is Chief Executive Officer of DASAR Brothers, Inc., which he founded in 1989, the owner of ETRE, the European Technology Roundtable Exhibition. He is a member of the board of several public and private technology companies in the United States (Saqqara, NextAge) and Europe (BVRP Software, Cibox, Lernout & Hauspie, Oxydian, Keeboo), and has served as a senior advisor to both government and industry. Mr. Vieux is currently a visiting professor at the French University Paris Dauphine, where he is teaching telecommunications in the United States. Mr. Vieux is a graduate of the Institut d'Etudes Politiques in Paris and HEC. He also holds a law degree from the Université de Paris II-Assas and an M.B.A. from Stanford University, where he was a Fulbright Scholar.

It is the intention of the persons appointed as proxies in the accompanying proxy card to vote FOR the election of the nominees named above as Directors unless specifically instructed to the contrary. Management knows of no current circumstances that would render any nominee named herein unable to accept nomination or election.

ITEM 2 — AUTHORIZATION OF CHAIRMAN OF THE BOARD TO SERVE AS PRESIDENT AND CHIEF EXECUTIVE OFFICER

Israel's Companies Law, which came into effect on February 1, 2000, provides that the Chairman of the Board of a public company cannot also serve as the Chief Executive Officer of the Company, unless authorized by shareholders. Any such authorization by shareholders is valid for a period not to exceed three years from the date of the shareholder resolution. The Board of Directors believes that it is in the best interests

of the Company to have Gil Shwed, who currently serves as both Chairman of the Board of the Company and its President and Chief Executive Officer, continue to serve in all of these capacities.

It is proposed that the following resolution be adopted at the Meeting:

“RESOLVED, that the shareholders of the Company hereby authorize Mr. Gil Shwed to continue to serve as Chairman of the Board, President and Chief Executive Officer of the Company for up to three years following the date of this resolution.”

The votes cast in favor of allowing the Chairman of the Board to serve as the President and Chief Executive Officer of the Company must consist of a majority of the votes cast and include at least two-thirds of the votes cast by shareholders who are not controlling shareholders of the Company or their representatives. **The Board of Directors recommends that the shareholders vote “FOR” the adoption of this resolution.**

ITEM 3 — PROPOSAL TO APPROVE THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED DECEMBER 31, 1999

The Company’s Annual Report for 1999 is being mailed to the Company’s shareholders together with this Proxy Statement. The Company’s Consolidated Financial Statements for the year ended December 31, 1999 are included in such report.

It is proposed that the following resolution be adopted at the Meeting:

“RESOLVED, that the Consolidated Financial Statements of the Company for the year ended December 31, 1999 be, and the same hereby are, approved.”

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 resolution to approve the Consolidated Financial Statements. **The Board of Directors recommends that the shareholders vote “FOR” the approval of the Company’s Consolidated Financial Statements.**

ITEM 4 — PROPOSAL TO RATIFY THE APPOINTMENT OF THE COMPANY’S INDEPENDENT PUBLIC ACCOUNTANTS

The Board of Directors has appointed the accounting firm of Kost Forer & Gabbay, a member of Ernst & Young International, as the independent public accountants of the Company for the year ending December 31, 2000. Kost Forer & Gabbay have audited the Company’s books and accounts since its inception.

The Board of Directors will present the following resolution at the Meeting:

“RESOLVED, that the appointment of Kost Forer & Gabbay as the Company’s independent public accountants for the fiscal year ending December 31, 2000 be, and it hereby is, ratified, and the Board of Directors be, and it hereby is, authorized to fix the remuneration of such independent public accountants in accordance with the volume and nature of their services.”

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 resolution to ratify the appointment of the Company’s independent public accountants. **The Board of Directors recommends that the shareholders vote “FOR” the ratification of the appointment of the Company’s independent public accountants.**

ITEM 5 — PROPOSAL TO AMEND THE COMPANY’S ARTICLES OF ASSOCIATION TO PERMIT CHARITABLE CONTRIBUTIONS

Israel’s Companies Law, which came into effect on February 1, 2000, provides that a company may make charitable contributions if its Articles of Association expressly permit it to do so. The Board of Directors believes that the Company has an obligation to act as a responsible citizen of the communities in which it

operates, and accordingly the Company should support worthwhile causes. It is therefore proposed that the following special resolution be adopted at the Meeting:

“RESOLVED, that Article 35 of the Company’s Articles of Association (“Powers of the Board of Directors”) be amended by adding a new subsection (d) at the end thereof, to read as follows:

“To the extent permitted by the Companies Law, the Company may elect to contribute reasonable amounts to worthy causes. The Board of Directors may determine the causes to which the Company should contribute and the amounts of any such contributions.” ”

The affirmative vote of the holders of at least 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 Articles of Association. **The Board of Directors recommends that the shareholders vote “FOR” the amendment of the Articles of Association with respect to charitable contributions.**

ITEM 6 — PROPOSAL TO AMEND THE COMPANY’S ARTICLES OF ASSOCIATION WITH RESPECT TO INDEMNIFICATION

The Company’s Articles of Association provide that the Company may indemnify and insure any Office Holder (broadly speaking, any Director or senior officer) or other person to the maximum extent permitted by law. Israel’s Companies Law, which came into effect on February 1, 2000, eliminated an uncertainty that existed under prior law by providing that a company may agree in advance to indemnify an Office Holder for unknown liabilities. In order to provide such indemnification, however, the company’s Articles of Association must expressly allow such indemnification.

The Board of Directors believes that the availability of comprehensive indemnification and insurance is an important factor in attracting and retaining highly-qualified individuals to serve on the Company’s Board of Directors. It is therefore proposed that the following special resolution be adopted at the Meeting:

“RESOLVED, that Article 68 of the Company’s Articles of Association (“Indemnity and Insurance”) be amended by replacing the existing Article 68 with the following:

“68. Insurance and Indemnity

- (a) Subject to the provisions of the Companies Law, the Company may enter into a contract for the insurance of its Office Holders, for acts or omissions in their capacity as Office Holders, in whole or in part, against any of the following:
 - (i) breach of the duty of care owed to the Company or a third party;
 - (ii) breach of the fiduciary duty owed to the Company, provided that the Office Holder acted in good faith and had reasonable grounds to believe that his action would not harm the Company’s interests; and
 - (iii) monetary liability imposed on an Office Holder in favor of a third party.
- (b) Subject to the provisions of the Companies Law, the Company is entitled retroactively to indemnify any Office Holder, or provide a prior undertaking to indemnify an Office Holder, where such prior undertaking is limited to categories of events that the Board believes are foreseeable and to a reasonable sum determined by the Board in the circumstances, for any of the following events:
 - (i) monetary liability imposed on an Office Holder in favor of a third party in a judgment, including a settlement or an arbitral award confirmed by a court, for an act that such Office Holder performed by virtue of being an Office Holder of the Company; and
 - (ii) reasonable costs of litigation, including attorneys’ fees, expended by an Office Holder or for which an Office Holder has been charged by a court, in an action brought against the Office Holder by or on behalf of the Company or a third

party, or in a criminal action in which an Office Holder was found innocent, or in a criminal offense in which an Office Holder was convicted and in which a proof of criminal intent is not required.

(c) Subject to the provisions of the Companies Law, the Company may exculpate an Office Holder in advance from liability, or any part of liability, for damages sustained by a breach of duty of care to the Company.”

The affirmative vote of the holders of at least 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 Articles of Association. **The Board of Directors recommends that the shareholders vote “FOR” the amendment of the Articles of Association with respect to insurance and indemnification.**

ITEM 7 — APPROVAL OF AMENDMENTS TO THE AUTOMATIC OPTION GRANT PROGRAM UNDER THE U.S. PLAN

The Automatic Option Grant Program under the U.S. Plan currently provides that each non-employee Director who is first elected or appointed to the Board of Directors after the effective date of the U.S. Plan shall automatically be granted an option to purchase up to 30,000 Ordinary Shares on the date of such initial election or appointment. In addition, on the date of each annual meeting of the Company’s shareholders, each non-employee Director who is to continue to serve as a non-employee Director after such annual meeting shall automatically be granted a fully vested option to purchase an additional 7,500 Ordinary Shares, provided that the Director has served as a non-employee Director for at least 6 months prior to the date of such annual meeting.

The Board believes that the Automatic Option Grant Program is an important factor in attracting and retaining highly-qualified individuals to serve on the Company’s Board of Directors and in motivating such individuals to devote their maximum efforts toward the advancement of the Company. The Board is **not** proposing to increase the number of options for which a Director is eligible or to change the eligibility requirements. The Board is proposing, however, that within the limits previously approved by shareholders, the Board be granted greater flexibility in determining the appropriate level of annual grant for each Director. Therefore, it is proposed that the Board be granted the discretion to fix the number of Ordinary Shares to be covered by the option granted to each non-employee Director on the date of an annual meeting, provided that the number of Ordinary Shares to be covered by the option shall not exceed 7,500.

It is proposed that the following resolution be adopted at the Meeting:

“RESOLVED, that the Automatic Option Grant Program under the U.S. Plan be amended to provide that on the date of each annual meeting of the Company’s shareholders beginning with the 2000 annual meeting of the Company’s shareholders, each non-employee Director who is to continue to serve as a non-employee Director after such annual meeting shall automatically be granted a fully vested option to purchase up to an additional 7,500 Ordinary Shares, provided that the Director has served as a non-employee Director for at least 6 months prior to the date of such annual meeting. The exact number of Ordinary Shares covered by the option to be granted to each non-employee Director shall be determined by the other Directors in office immediately prior to the date of the annual meeting.”

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 amendment to the Automatic Option Grant Program under the U.S. Plan. **The Board of Directors recommends that the shareholders vote “FOR” the adoption of this resolution.**

ITEM 8 — APPROVAL OF CERTAIN TERMS OF REMUNERATION OF OUTSIDE DIRECTORS OF THE COMPANY

The Company is subject to the provisions of Israel’s Companies Law. Under the Companies Law, the Outside Directors of the Company may be paid compensation only in prescribed amounts. The Board of Directors has determined that the Outside Directors should receive remuneration (including stock option

grants under the Automatic Option Grant Program) equal to the average remuneration paid to the non-employee Directors of the Company. The Board of Directors has also determined that the Outside Directors should receive remuneration for their service on committees of the Board of Directors of the Company equal to the average remuneration paid to the non-employee Directors of the Company who serve on such committees. In addition, the Company will continue to reimburse all Directors, including Outside Directors, for their out-of-pocket expenses incurred in attending meetings of the Board of Directors and its committees.

It is proposed that the following resolution be adopted at the Meeting:

“RESOLVED, that the Company pay remuneration (including stock option grants under the Automatic Option Grant Program) to Outside Directors equal to the average remuneration paid to the non-employee Directors of the Company, as well as remuneration for their service on committees of the Board of Directors of the Company equal to the average remuneration paid to the non-employee Directors of the Company who serve on such committees. In addition, the Company shall reimburse the Outside Directors for their out-of-pocket expenses incurred in attending meetings of the Board of Directors and its committees.”

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 resolution to approve the terms of remuneration of the Outside Directors of the Company. **The Board of Directors recommends that the shareholders vote “FOR” the adoption of this resolution.**

ITEM 9 — PROPOSAL TO APPROVE CERTAIN TERMS OF COMPENSATION OF OFFICERS WHO ARE ALSO DIRECTORS OF THE COMPANY

As noted above, under Israel’s Companies Law, the payment of compensation to Directors of the Company, whether in their capacity as Directors or otherwise, requires shareholder approval. Gil Shwed and Marius Nacht, who are Directors of the Company, are also the President and Chief Executive Officer, and Senior Vice President, respectively, of the Company.

It is therefore proposed that the shareholders approve the compensation of these officers (who are also Directors) for their services as officers, in the amounts to be presented at the Meeting, as approved by the Board of Directors of the Company.

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 resolution to approve the compensation of the officers of the Company who are also Directors. **The Board of Directors recommends that the shareholders vote “FOR” the approval of the resolution to approve the compensation of the officers of the Company who are also Directors.**

By Order of the Board of Directors.

GIL SHWED
Chairman of the Board of Directors

Dated: June 29, 2000