

## **AMENDED AND RESTATED CHARTER OF THE AUDIT COMMITTEE OF MELLANOX TECHNOLOGIES, LTD.**

This Amended and Restated Charter (this “*Charter*”) of the Audit Committee of Mellanox Technologies, Ltd. (the “*Company*”) was originally adopted on December 6, 2000 and most recently amended and restated on January 31, 2017.

### **I. Purpose**

Without limiting or impacting the responsibilities of any other committee of the Board of Directors of the Company (the “*Board*”) pursuant to applicable law, the purpose of the Audit Committee (the “*Committee*”) is to: (1) oversee the accounting and financial reporting processes of the Company and the audits of the financial statements of the Company; (2) review irregularities in the management of the Company’s business (including without limitation, in conjunction with the internal auditor (the “*Internal Auditor*”) appointed pursuant to the Israel Companies Law, 1999, as amended from time to time (the “*Companies Law*”), or the Company’s outside independent registered accounting firm/auditor (the “*Independent Auditor*”)) and propose solutions for dealing with any such irregularities; (3) perform the responsibilities described in this Charter under Section IV (“Powers and Responsibilities”); (4) perform additional responsibilities as required under the Companies Law from time to time; and (5) perform any additional responsibilities as required under applicable US law.

In addition to the powers and responsibilities expressly delegated to the Committee in this Charter, the Committee may exercise any other powers and carry out any other responsibilities delegated to it by the Board from time to time consistent with the Company’s Articles of Association and applicable law. The powers and responsibilities delegated by the Board to the Committee in this Charter or otherwise shall be exercised and carried out, subject to applicable law, by the Committee as it deems appropriate without requirement of Board approval, and any decision made by the Committee (including any decision to exercise or refrain from exercising any of the powers delegated to the Committee hereunder) shall be at the Committee’s sole discretion. While acting within the scope of the powers and responsibilities delegated to it, and subject to applicable law, the Committee shall have and may exercise all the powers and authority of the Board. To the fullest extent permitted by law, the Committee shall have the power to determine which matters are within the scope of the powers and responsibilities delegated to it.

Notwithstanding the foregoing, the Committee’s responsibilities are limited to oversight. Management of the Company is responsible for the preparation, presentation and integrity of the Company’s financial statements as well as the Company’s financial reporting process, accounting policies, internal audit function (unless otherwise stated herein), internal accounting controls and disclosure controls and procedures. The Independent Auditor is responsible for performing an audit of the Company’s annual financial statements, expressing an opinion as to the conformity of such annual financial statements with generally accepted accounting principles (“*GAAP*”) and reviewing the Company’s quarterly financial statements. It is not the responsibility of the Committee to plan or conduct audits or to determine that the Company’s financial statements and

disclosures are complete and accurate and in accordance with GAAP and applicable laws, rules and regulations. Each member of the Committee shall be entitled to rely on the integrity of those persons within the Company and of the professionals and experts (including those responsible for the internal audit function, including contracted non-employee or audit or accounting firms engaged to provide internal audit services and the Independent Auditor) from which the Committee receives information and, absent actual knowledge to the contrary, the accuracy of the financial and other information provided to the Committee by such persons, professionals or experts.

Further, auditing literature, particularly Statement of Auditing Standards, Section 722, Interim Financial Statements, defines the term “review” to include a particular set of required procedures to be undertaken by the Independent Auditors. The members of the Committee are not the Independent Auditors, and the term “review” as used in this Charter is not intended to have that meaning and should not be interpreted to suggest that the Committee members can or should follow the procedures required of auditors performing reviews of financial statements.

## **II. Membership**

The Committee shall consist of at least three independent members of the Board in accordance with the independence requirements of the NASDAQ Stock Market LLC (“*NASDAQ*”) and Rule 10A-3(b)(1) under the Exchange Act, subject to any available exception., subject to any available exception. Additionally, each Committee member must be able to read and understand fundamental financial statements, including a company’s balance sheet, income statement and cash flow statement.

Members of the Committee are not required to be engaged in the accounting and auditing profession and, consequently, some members may not be experts in financial matters, or in matters involving auditing or accounting. However, at least one member of the Committee shall have past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual’s financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities. In addition, either at least one member of the Committee shall be an “audit committee financial expert” within the definition adopted by the Securities and Exchange Commission (the “*SEC*”), or the Company must disclose in its periodic reports required pursuant to the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”), the reasons why at least one member of the Committee is not an “audit committee financial expert.”

The members of the Committee, including the Chair of the Committee (the “*Chair*”), shall be appointed by the Board. Committee members may be removed from the Committee, with or without cause, by the Board.

### **III. Meetings and Procedures**

The Chair (or in his or her absence, a member designated by the Chair or approved by a majority of the members then meeting) shall preside at each meeting of the Committee and set the agendas for Committee meetings. The Committee shall have the authority to establish its own rules and procedures for notice and conduct of its meetings so long as they are not inconsistent with any provisions of the Company's Articles of Association that are applicable to the Committee or applicable law.

The Committee shall meet at least once during each fiscal quarter and more frequently as the Committee deems desirable or appropriate. The Committee shall meet separately, periodically, with management, with the Internal Auditor and with the Independent Auditor. The Committee may meet by telephone conference call or by any other means permitted by applicable law and the Company's Articles of Association. In addition, the Committee may take decisions by means of unanimous written consent.

A majority of Committee members shall constitute a quorum for conducting business at a Committee meeting. The act of a majority of Committee members present at a Committee meeting at which a quorum is in attendance will be the act of the Committee, unless a greater number is required by applicable law or the Company's Articles of Association. The Committee may exclude from its meetings any persons it deems appropriate.

The Committee may retain any independent counsel, experts or advisors (accounting, financial or otherwise) that the Committee believes to be necessary or appropriate. The Committee may also utilize the services of the Company's regular legal counsel or other advisors to the Company. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to the Independent Auditor for the purpose of rendering or issuing an audit report or performing other audit, review or attest services, for payment of compensation to any advisors employed by the Committee and for ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

The Committee may conduct or authorize investigations into any matters within the scope of the powers and responsibilities delegated to the Committee.

### **IV. Powers and Responsibilities**

#### **A. Interaction with the Independent Auditor.**

1. *Appointment and Oversight.* The Committee shall be directly responsible for the appointment, compensation, retention and termination of the Independent Auditors (subject to shareholder ratification) and the Independent Auditors must report directly to the Committee. The Committee shall also be directly responsible for the oversight of the work of the Independent Auditors, including resolution of disagreements between management and the Independent Auditors regarding financial reporting. Without limiting the aforesaid, the Committee shall examine the Independent

Auditors' scope of work and fees and submit its recommendations to shareholders at the general meeting.

2. *Pre-Approval of Services.* Before the Independent Auditor is engaged by the Company or its subsidiaries to render audit or non-audit services, the Committee shall pre-approve the engagement. The Committee may delegate to one or more designated members of the Committee the authority to grant pre-approvals, provided such approvals are presented to the Committee at a subsequent meeting. If the Committee elects to establish pre-approval policies and procedures regarding non-audit services, the Committee must be informed of each non-audit service provided by the Independent Auditor. Committee pre-approval of non-audit services (other than review and attest services) will not be required if such services fall within available exceptions established by the SEC.

B. *Independence of Independent Auditor.* The Committee shall, at least annually, review the independence and quality control procedures of the Independent Auditor and the experience and qualifications of the Independent Auditor's senior personnel that are providing audit services to the Company. In conducting its review:

1. The Committee shall obtain and review a report prepared by the Independent Auditor describing: (a) the auditing firm's internal quality control procedures; and (b) any material issues raised by the most recent internal quality control review, or peer review, of the auditing firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the auditing firm, and any steps taken to deal with any such issues.

2. The Committee shall ensure that the Independent Auditor prepares and delivers, at least annually, a written statement delineating all relationships between the Independent Auditor and the Company, consistent with Independence Standards Board Standard No. 1. The Committee shall actively engage in a dialogue with the Independent Auditor with respect to any disclosed relationships or services that, in the view of the Committee, may impact the objectivity and independence of the Independent Auditor. If the Committee determines that further inquiry is advisable, the Committee shall take, or recommend that the Board take, appropriate action in response to the Independent Auditor's report to satisfy itself of the auditor's independence.

3. The Committee shall confirm with the Independent Auditor that the Independent Auditor is in compliance with the partner rotation requirements established by the SEC.

C. *Annual Financial Statements and Annual Audit.*

1. *Meetings with Management and the Independent Auditor.*

(i) The Committee shall meet with management and the Independent Auditor in connection with the planning of each annual audit to discuss the scope of the audit, the procedures to be followed and the staffing of the audit.

(ii) The Committee shall review and discuss with the Independent Auditor and, if appropriate, management: (a) major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, and major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies; (b) any analyses prepared by management or the Independent Auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including analyses of the effects of alternative methods of applying GAAP on the Company's financial statements; (c) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the Company's financial statements; (d) any recent developments in accounting standards and practices, e) any "management" or "internal control" letter issued or, to the extent practicable, proposed to be issued by the Independent Auditors and management's response, if any, to such letter, (f) any additional material written communications between the Independent Auditors and management, (g) any communications between the audit team and the Independent Auditors' national office with respect to auditing or accounting issues presented by the engagement and (h) engagement letters of the Independent Auditor and the Internal Auditor.

(iii) The Committee shall review and discuss the annual audited financial statements with management and the Independent Auditor, including disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations."

## 2. *Separate Meetings with the Independent Auditor.*

(i) The Committee shall review with the Independent Auditor any problems or difficulties the Independent Auditor may have encountered during the course of the audit work, including any restrictions on the scope of activities or access to required information or any significant disagreements with management and management's responses to such matters.

(ii) The Committee shall review and discuss with management and the Independent Auditor any material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the Company with unconsolidated entities of which the Committee is made aware that do not appear on the financial statements of the Company and that may have a material current or future effect on the Company's financial condition, results of operations, liquidity, capital expenditures, capital resources or significant components of revenues or expenses.

(iii) The Committee shall discuss with the Independent Auditor the matters required to be discussed by Statement of Auditing Standards, Section 380, Communication with Audit Committees, as then in effect.

3. *Recommendation to Include Financial Statements in Annual Report.*

The Committee shall, based on the review and discussions in paragraphs C(1)(iii) and C(2)(iii) above, and based on the disclosures received from the Independent Auditor regarding its independence and discussions with the auditor regarding such independence pursuant to paragraph B(2) above, determine whether to recommend to the Board that the audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year subject to the audit.

D. *Interim Financial Statements.* The Committee shall review the interim financial statements and disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" with management and the Independent Auditors prior to the filing of the Company's Quarterly Report on Form 10-Q. Also, the Committee shall discuss the results of the quarterly review and any other matters required to be communicated to the Committee by the Independent Auditors under GAAP.

E. *Other Powers and Responsibilities.*

1. The Committee shall discuss with management and the Independent Auditor the Company's earnings press releases (with particular focus on any "pro forma" or "adjusted" non-GAAP information), as well as financial information and earnings outlook provided to analysts and rating agencies. The Committee's discussion in this regard may be general in nature.

2. The Committee shall review any impairments in the management of the Company's business, including without limitation, in consultation with the Internal Auditor or the Independent Auditor and suggest an appropriate course of action to the Board.

3. (i) For purposes of compliance with U.S. rules and regulations, the Committee shall conduct an appropriate review and oversight of all "**related party transactions**" for potential conflict of interest situations on an ongoing basis. For purposes of this sub-section 3(i), the term "**related party transaction**" shall refer to transactions required to be disclosed pursuant to Item 404 of Regulation S-K under the Exchange Act.

(ii) For purposes of compliance with the Companies Law, the Committee shall decide if an action of an officer is "**material**," if a transaction of the Company with an officer or controlling shareholder (or in which they have a personal interest) is an "**extraordinary transaction**" and the way in which a "**non-redundant transaction**" (as defined at the beginning of Section 270(4) or (4A) of the Companies Law) shall be approved, including such type of non-redundant transactions which shall require the approval of the Committee.

4. The Committee shall review and, where required, approve all related party transactions and other actions as required by Companies Law and the regulations promulgated thereunder and as required by the rules of the SEC or NASDAQ.

5. The Committee shall discuss with the Independent Auditor and any other organ of the Company as the Committee deems appropriate at its sole discretion, any correspondence from or with regulators or governmental agencies, any employee complaints or any published reports that raise material issues regarding the Company's financial statements, financial reporting process, accounting policies or internal audit function.

6. The Committee shall receive corporate attorneys' reports of evidence of a material violation of securities laws or breaches of fiduciary duty.

7. The Committee shall request assurances from management, the Independent Auditor and the Internal Auditor that the Company's foreign subsidiaries and foreign affiliated entities, if any, are in conformity with applicable legal requirements, including disclosure of affiliated party transactions.

8. The Committee shall establish procedures for the receipt, retention and treatment of complaints received by the Company regarding impairment in the business management, accounting, internal accounting controls or auditing matters. The Committee shall also establish procedures for the confidential and anonymous submission by employees regarding questionable accounting or auditing matters.

9. The Committee shall provide the Company with the report of the Committee with respect to the audited financial statements for inclusion in each of the Company's annual proxy statements.

10. The Committee, through its Chair, shall report regularly to, and review with, the Board any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the Company's Independent Auditor, the performance of the Company's internal audit function, the Internal Auditor's work plan or any other matter the Committee determines is necessary or advisable to report to the Board, including any new or proposed accounting policies to be adopted by the Company or any new standards promulgated by the SEC or other regulatory body.

11. The Committee shall at least annually perform an evaluation of the performance of the Committee and its members. In addition, the Company shall annually review and reassess this Charter and submit any recommended changes to the Board for its consideration.

12. Without otherwise limiting or impacting the responsibilities of any other committee of the Board pursuant to applicable law, the Committee shall propose the appointment, termination and replacement of the Internal Auditor to the Board as required under the Companies Law.

13. The Committee shall examine the internal audit function and the performance of the Internal Auditor and if he/she has reasonably sufficient resources and

tools in order to perform his/her role, taking into account the Company's special needs and size.

14. The Committee shall set clear hiring policies for employees or former employees of the Company's Independent Auditor.

15. The Committee shall discuss the Company's information security, business continuity programs and controls and systems to monitor and manage business risk.

**V. Delegation of Duties**

In fulfilling its responsibilities, the Committee shall be entitled to delegate certain of its responsibilities to a subcommittee of the Committee or to its Chairperson, to the extent consistent with and subject to the Company's articles of association, corporate governance guidelines and principles applicable to the Company, Companies Law and applicable laws, regulations and rules of NASDAQ and any other markets in which the Company's securities then trade.

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