

GILAT SATELLITE NETWORKS LTD.

AUDIT COMMITTEE CHARTER

Purpose

The Board of Directors is required to appoint an Audit Committee under the Israeli Companies Law, 1999 (the “Companies Law”), the Sarbanes-Oxley Act, and the rules of the Nasdaq Stock Market. The purpose of the Committee is to:

- oversee the accounting and financial reporting processes of the Company and audits of the financial statements of the Company;
- assist the Board of Directors in fulfilling its responsibility for oversight of (a) the quality and integrity of the accounting, auditing, and reporting practices of the Company, (b) the independent auditor’s qualifications and independence, and (c) the performance of the Company’s internal audit function and independent auditors;
- focus on the qualitative aspects of financial reporting to shareholders;
- oversee the Company’s processes to manage business and financial risk;
- oversee compliance with significant applicable legal, ethical, and regulatory requirements;
- oversee the selection, compensation, and oversight of the public accounting firm engaged to prepare or issue an audit report on the financial statements of the Company;
- decide whether to approve engagements or transactions that require Committee approval under the Companies Law, relating generally to certain related-party transactions; and
- prepare an audit committee report as required by the SEC rules to be included in the Company’s annual proxy statement.

The Committee’s specific responsibilities in carrying out its oversight role are delineated in the Audit Committee Responsibilities Checklist set forth below. The Responsibilities Checklist may be updated from time to time to reflect changes in regulatory requirements, authoritative guidance, and evolving oversight practices.

Membership

The membership of the Committee shall:

- consist of independent directors, all of whom are able to read and understand fundamental financial statements, in accordance with the Nasdaq rules,
- include at least one member with accounting or related financial management expertise that satisfies the SEC and Nasdaq rules, and
- include at least two of the Company’s external directors, or “*damatzim*” (as such term is defined in the Companies Law).

All Committee members shall meet the applicable independence requirements under Nasdaq rules and under applicable US securities laws and rules. In particular, the following persons may not serve on the Committee:

- The Chairman of the Board of Directors.
- Any person employed by the Company or who receives any consulting, advisory or compensatory fee from the Company, other than in his or her capacity as a member of the Board or its committees.
- Any person who owns or controls (or whose relative owns or controls) more than 10% of the Company's shares.

The Committee shall appoint a chairperson.

Meetings

The Committee shall meet at least four times per year, as circumstances require. The Committee may ask members of management or others to attend the meeting and provide pertinent information as necessary. The agenda for Committee meetings will be prepared in consultation between the Committee chairperson (with input from the Committee members), the Company's CEO and CFO, and the Company's external auditor. The external auditor may be invited to meetings of the Committee that relate to the financial statements of the Company. The internal auditor shall be invited to Committee meetings as the Chairman shall deem appropriate. In addition, the internal auditor may request that the chairperson of the Committee convene a meeting to discuss a particular issue, and the chairperson shall convene the Committee within a reasonable period of time, if the chairperson finds it appropriate to do so.

Communications/Reporting

The Company's external auditor shall report directly to the Chairman of the Board of Directors, the CEO and the Committee. The Committee is expected to maintain free and open communication with the auditors, the Company's internal auditor, and the Company's management. This communication shall include sessions, at least annually, with each of these parties. The Committee chairperson shall report at least once annually on Committee activities to the Board.

Authority

In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention, with full power to retain external counsel or other experts for this purpose. The Committee shall have the authority to receive appropriate funding, as determined by the Committee, from the Company for the payment of compensation to any firm, advisor, or expert retained pursuant to this Charter.

Limits on Committee Responsibility

The Committee relies on the expertise and knowledge of management, the external auditor and the Company's internal auditor in carrying out its oversight responsibilities. Management of the

Company is responsible for determining that the Company's financial statements are complete, accurate and in accordance with generally accepted accounting principles. The external auditor is responsible for reviewing and auditing the Company's financial statements. It is not the duty of the Committee to plan or conduct reviews or audits, to determine that the financial statements are complete and accurate and are in accordance with generally accepted accounting principles, to conduct investigations, or to assure compliance with laws and regulations or the company's internal policies, procedures and controls.

Audit Committee Responsibilities Checklist

The Committee shall carry out the duties and responsibilities set forth below:

General

1. Be empowered to conduct or authorize investigations into any matters within the Committee's scope of responsibilities. The Committee shall be empowered to retain independent counsel, accountants, or others to assist it in the conduct of any investigation.
2. Provide a forum for communication with the internal auditor, external auditor, management and the Board of Directors. Committee actions shall be reported to the Board of Directors with such conclusions or recommendations as the Committee may deem appropriate.
3. Review the independence of each Committee member based on all applicable rules.
4. Monitor the appropriate standards adopted as a code of ethics for the Company.
5. Review legal and regulatory matters that may have a material impact on the financial statements, related Company compliance policies, and programs and reports received from regulators, at the Committee's discretion.
6. Meet with the Company's financial management to discuss any matters that the Committee believes should be discussed with the Audit Committee.
7. In addition to Company policy that employee concerns about accounting, auditing and internal control procedures be addressed in an orderly fashion within the management framework of the Company, the Committee shall establish procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and (ii) the confidential, anonymous submissions by employees of concerns regarding questionable accounting or auditing matters.

Oversight of Relationship with External Auditor

8. Establish procedures for the selection of the Company's external auditor, and oversee the engagement, retention, evaluation, and approval of the compensation of the external auditor.
9. Approve all audit and non-audit services to be provided by the external auditor and review quarterly the audit firm's non-audit services and related fees.
10. Confirm annually the independence of the public accounting firm, including ensuring receipt of the independent auditors' written disclosures and letter as required by the Independence Standards Board Standard No. 1, and discussing the independent auditors' independence and taking appropriate action in response to these communications.
11. Oversee the hiring of any employees or former employees of the Company's auditors in order to ensure auditor independence.
12. Meet with the external auditor to discuss any matters that the Committee believes should be discussed with the Audit Committee.

Internal Control Oversight and Risk Management

13. Propose to the Board of Directors the appointment of an internal auditor, and express its opinion with regard to the termination of the internal auditor's engagement by the Company.
14. Meet with the internal auditor to discuss any matters that the Committee believes should be discussed with the Audit Committee.
15. Inquire of management and the Company's external auditor about significant risks or exposures, and assess the steps management has taken to minimize such risk to the Company.
16. Consider and review with the external auditor:
 - a. the adequacy of the Company's internal controls including computerized information system controls and security; and
 - b. any related significant findings and recommendations of the external auditor and the internal auditor together with management's responses thereto.
17. Consider and review with management and the internal auditor:
 - a. significant findings during the year and management's responses thereto;

- b. any difficulties encountered in the course of his or her audits, including any restrictions on the scope of their work or access to required information; and
 - c. any changes required in planned scope of its audit plan.
18. Oversee the functioning of the internal auditor and its work plans, and review internal audit reports prepared by the internal auditor. The Committee chairperson may instruct the internal auditor to perform special audits and shall review the internal auditor's reports of such audits.

Audit Oversight

19. Review with management and the external auditor at the completion of the annual audit:
- a. the Company's annual financial statements and related footnotes;
 - b. the external auditor's audit of the financial statements and its report thereon;
 - c. any significant changes required in the external auditor's audit plan;
 - d. any serious difficulties or disputes with management encountered during the course of the audit; and
 - e. other matters related to the conduct of the audit which are to be communicated to the Committee under generally accepted auditing standards.
20. Review with the Company's management and the external auditor at least annually the Company's critical accounting policies, alternative treatments discussed with management, and any material written communications between the external auditor and management (such as any management letters or schedules of unadjusted differences.)
21. Review with management and the external auditor any significant changes to GAAP policies or standards.
22. Review, at least annually, (i) the material reserves established for the contingent liabilities of the Company and its subsidiaries, (ii) the Company's major financial risk exposures and the Company's policies for managing such risks, and (iii) any "off-balance sheet" transaction or off-balance sheet assets or liabilities.

Related Party Transactions

23. Review policies and procedures with respect to transactions between the Company and officers and directors, or affiliates of officers or directors, or transactions that are not in the ordinary course of the Company's business.

24. Review and approve any transactions that require the Committee's approval under the Companies Law.

Public Financial Disclosures

25. Review the periodic reports of the Company with management and the external auditor prior to filing of the reports with the SEC.
26. In connection with the annual report of the Company, review:
 - a. management's disclosure to the Committee under Section 302 of the Sarbanes-Oxley Act, and
 - b. the contents of the Chief Executive Officer and the Chief Financial Officer certificates and all other certifications to be filed under the Act.

Reports

27. Prepare an audit committee report as required to be included in the Company's proxy statement, pursuant to the applicable rules of the SEC.
28. Report at least once annually to the Board of Directors.
29. Maintain minutes or other records of meetings and activities of the Committee.

Annual Review

30. Review the adequacy of this Charter annually, and submit any proposed changes to the Board of Directors for approval.