



Gilat Satellite Networks Ltd. - Corporate Governance Guidelines

The Board of Directors (the "Board") of Gilat Satellite Networks Ltd. (the "Company" or "Gilat") has adopted the following Corporate Governance Guidelines (the "Guidelines") to assist the Board and its committees in the exercise of their duties and responsibilities and to serve the best interests of the Company. These Guidelines should be applied in a manner consistent with all applicable laws, and stock exchange rules and the Company's Articles of Association, as amended and in effect from time to time.

A. Director Responsibilities

Oversight of the Company. The business and affairs of the Company shall be managed under the direction of the Board and its committees in accordance with applicable law and, in so doing, the directors shall serve the best interests of the Company. This responsibility includes, without limitations: evaluating the Company's operating, financial and other corporate plans, reviewing or approving the Company's strategy and objectives, developing and maintaining a corporate governance structure that allows and encourages the Board to fulfill its responsibilities, providing informed advice and assistance to the Company's management, and evaluating the overall effectiveness of the Board and its committees.

Exercise Business Judgment. In discharging their duties, directors are expected to exercise their business judgment and to act according to what they reasonably believe to be in the best interests of the Company.

Code of Ethics. Certain portions of the Code relate to activities of directors. Directors should understand and be familiar with the provisions of the Code.

Understand the Company and its Business. Directors shall be at all times informed about the Company and its business and strategic plan, including risks, problems and opportunities critical to the future of the Company, and trends and issues materially affecting the Company's performance, financial objectives and financial results.

Board and Committee Meetings. Directors are responsible for attending and actively participating in Board meetings and meetings of Committees on which they serve. Directors should prepare for meetings by advance review of meeting materials and devote the time needed to discharge their responsibilities properly.

Reliance on Management and Advisors. A director is entitled when carrying out his or her duties to rely in good faith on reports and other information provided by management, its independent auditors, legal counsel or other advisors as to matters the director reasonably believes to be within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of Gilat. Nothing in these Guidelines is intended to preclude or impair the protection provided under applicable law for good faith reliance by directors on reports, advice or other information provided by others (including reports, advice or other information provided by management, legal counsel, consultants, independent auditors or independent professional advisers retained by the Board or any committee of the Board).

Confidentiality. The proceedings and deliberations of the Board and its committees are confidential. Each director shall maintain the confidentiality of information received in connection with his or her service as a director.

B. Director Qualification Standards

Independence. A majority of the members of the Board shall be independent directors within the meaning of NASDAQ rules, and all members of the Audit Committee shall be independent in accordance with the applicable rules of the Securities and Exchange Commission.

External Directors. In accordance with the Israeli Companies Law (the “Companies Law”) and the relevant regulations, we must have at least two external directors who meet the Israeli statutory requirements of independence, unless the Board elects to opt out of such requirement in accordance with the applicable Companies Law regulations. At least one of the external directors is required to have “financial and accounting expertise” and the other external director or directors are required to have “professional expertise,” all as defined under the Companies Law. Two external directors currently serve on Gilat’s Board.

All of the external directors serve on the Company’s Audit Committee and Compensation Committee (the “Audit Committee” and the “Compensation Committee”, respectively) (including one of the external directors serving as the Chair of the Audit Committee and the Compensation Committee), and at least one external director must serve on each other Committee of the Board.

Size of the Board. Under the Company's Articles of Association, our Board shall consist of not less than five and not more than nine directors. Our shareholders resolved to set the size of our Board at eight members, including two external directors. The Board believes this is an appropriate size given the Company's present circumstances, but evaluates whether a smaller or larger Board may be appropriate at any given time, depending on circumstances, changes in the Company's business and availability of qualified candidates.

Director Qualifications. The desired qualifications, expertise and characteristics of Board members shall be evaluated periodically. While the Board has not established specific minimum qualifications for Board members, the Board believes that the assessment of director qualifications may include numerous factors, such as character, professional ethics and integrity, judgment, business acumen, proven achievement and competence in one’s field, the ability to exercise sound business judgment, tenure on the Board and skills that are complementary to the Board, an understanding of the Company’s business, an understanding of the responsibilities that are required of a member of the Board, other time commitments, diversity with respect to professional background, education, as well as other individual qualities and attributes that contribute to the mix of viewpoints and experience represented on the Board.

Conflicts of Interest. Directors are expected to avoid any action, position or interest that conflicts with the interests of Gilat. If an actual or potential conflict of interest develops, the director will report all facts regarding the matter to the Chairman of the Board. If a director has a personal interest in a matter before the Board, the director must disclose the interest to the Board and excuse himself or herself from discussion of the matter and abstain from voting on the matter. The Audit Committee will report material related party transactions to the entire Board and review and approve the Company’s procedures for handling complaints regarding accounting or auditing matters.

Term Limits. Term limits may result in the loss of long-serving directors who over time have developed unique and valuable insights into the Company’s business and therefore can provide a significant contribution to the Board. Because each director is periodically subject to election by the shareholders, the Board does not believe it is in the best interests of the Company to establish term limits.

Chairman of the Board. Under the Israeli Companies Law, the CEO or a relative of the CEO may not serve as the chairman of the board of directors, and the chairman or a relative of the chairman may not be vested with authorities of the CEO without shareholder approval consisting of a majority vote of the shares present and voting at a shareholders meeting, provided that either: (i) such majority includes at least a majority of the shares held by all shareholders who are not controlling shareholders and do not have a personal interest in such appointment, present and voting at such meeting; or (ii) the total number of shares of non-controlling shareholders and shareholders who do not have a personal interest in such appointment voting against such appointment does not exceed two percent of the aggregate voting rights in the company.

In addition, a person subordinated, directly or indirectly, to the CEO may not serve as the chairman of the board of directors; the chairman of the board may not be vested with authorities that are granted to those subordinated to the CEO; and the chairman of the board may not serve in any other position in the company or a controlled company, but he may serve as a director or chairman of a subsidiary.

C. Board Meetings

Selection of Agenda Items. The Chairman of the Board shall determine and approve the agenda for each Board meeting.

Frequency and Length of Meetings. The Chairman of the Board, in consultation with the members of the Board, shall determine the frequency and length of the Board meetings. Special meetings may be called from time to time as determined by the needs of the business.

Advance Distribution of Materials. Information and data that are important to the Board's understanding of the items placed on the agenda for each Board or committee meeting should generally be distributed to the directors before the meeting, and directors should review these materials in advance of the meeting.

Executive Sessions. The independent directors within the meaning of NASDAQ rules shall meet in executive session at least twice per year to discuss, among other matters, the performance of the Chief Executive Officer. The independent directors shall meet in executive session at other times at the request of any independent director.

Board Meeting Attendance. Directors are expected to attend all meetings, and to invest the time and effort necessary to understand Gilat's business and financial strategies and challenges. The basic duties of the directors include being prepared for and attending Board meetings and actively participating in Board discussions. Directors are also expected to make themselves available outside of Board meetings for advice and consultation. A director who is unable to attend a Board or committee meeting should notify the Chairman of the Board or the committee chairman, as applicable, and the CEO in advance of the meeting. No business shall be transacted at a meeting of the Board of Directors unless the requisite quorum is present.

Attendance of Non-Directors at Board Meetings. The Board welcomes regular attendance by senior executives of the Company to present materials and participate in relevant discussions at Board meetings.

D. Board Key Committees.

The Board shall have at all times an Audit Committee and a Compensation Committee. Each such committee shall have a charter. The Board may, from time to time, establish or maintain additional committees with such charters as it may consider necessary or appropriate.

Committee Charters. In accordance with the applicable rules of NASDAQ, the charters of the Audit Committee and the Compensation Committee shall set forth the purposes, goals and responsibilities of such committees, as well as qualifications for committee membership, procedures for committee member appointment, committee structure and operations and committee reporting to the Board. The respective committee shall, from time to time as it deems appropriate, review and reassess the adequacy of each charter and make appropriate changes.

Selection of Agenda Items. The chairman of each committee, in consultation with the committee members, shall confirm the committee's agenda. The schedule for each committee meeting shall be furnished to all committee members.

Frequency and Length of Committee Meetings. The chairman of each committee, in consultation with the committee members, shall determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter. Special meetings may be called from time to time as determined by the needs of the business and the responsibilities of the committees.

E. Directors Access to Management and Independent Advisors

Access to Officers and Employees. Directors have access to senior managers of the Company. Any meetings or contacts that a director wishes to initiate may be arranged through and coordinated by the Chief Executive Officer of the Company. The directors shall use their judgment to ensure that any such contact is not disruptive to the business operations of the Company and shall generally copy the Chief Executive Officer on any written communications between a director and senior management of the Company.

Access to Independent Advisors. The Board and each committee have the power to hire and consult with independent legal, financial or other advisors for the benefit of the Board or such committee, as they may deem necessary, without consulting or obtaining the approval of any officer of the Company in advance. Such independent advisors may but need not be the regular advisors to the Company. The Board or any such committee is empowered, without further action by the Company, to cause the Company to pay the compensation of such advisors as established by the Board or any such committee.

F. Director Compensation

In accordance with the Israeli Companies Law, the compensation of directors will be approved by the shareholders, the Board and the Compensation Committee. The Board with the assistance of the Compensation Committee shall review the competitiveness of the director compensation. This review will take into account such factors as determined to be relevant, including so as to comply with the Companies Law. This review may be conducted with the assistance of outside compensation advisors. Following this review, the Compensation Committee may recommend any changes in director compensation to the Board, and any recommended change in director compensation will be subject to approval by the Board and the shareholders.

G. Director Orientation and Continuing Education

The Board and the Company's management shall conduct an orientation process for new directors, which shall include meetings, information and materials designed to familiarize the director with the Company's operations and business plans, the Code, its internal and independent auditors and senior management. As necessary, management shall prepare additional educational sessions for directors on matters relevant to the Company's operations and plans.

H. Annual Performance Self-Evaluation

The Board and Committees shall conduct an annual self-evaluation and report the results to the Board.

I. Board Interaction with the Public

The Board believes that senior management speaks for the Company. Individual Board members may, from time to time at the request of the Board and senior management, meet or otherwise communicate with various constituencies that are involved with the Company.

J. Periodic Review of the Corporate Governance Guidelines

The Board shall, from time to time as it deems appropriate, review and reassess the adequacy of these Guidelines and approve any proposed changes.