

CyberArk Software Ltd.

Audit Committee Charter

The Board of Directors (the “**Board**”) of CyberArk Software Ltd. (the “**Company**”) has constituted and established an Audit Committee (the “**Committee**”) with the authority, responsibility and specific duties as described in this Audit Committee Charter (this “**Charter**”).

1. Purpose

The purpose of the Committee is to:

- 1.1. Provide oversight of the accounting and financial reporting process of the Company and the audits of the financial statements of the Company.
- 1.2. Assist the Board in its oversight of:
 - the integrity of the Company’s financial statements and other published financial information
 - the Company’s compliance with applicable financial and accounting related standards, rules and regulations
 - the selection, retention and termination, subject to shareholder approval, of the Company’s independent auditor, the pre-approval of all audit, audit-related and all permitted non-audit services, if any, by the Company’s independent auditor, and the compensation therefor
 - the Company’s internal control over financial reporting.
- 1.3. Determine whether there are delinquencies in the business management practices of the Company, including in consultation with the Company’s internal auditor or independent auditor, as applicable, and make recommendations to the Board to improve such practices.
- 1.4. Make appropriate determinations as to the approval of certain engagements or transactions, to the extent required under the Israeli Companies Law, 5759-1999 (the “**Companies Law**”).
- 1.5. Prepare any report by the Committee that the rules of the U.S. Securities and Exchange Commission (“**SEC**”) require to be included, or that the Company otherwise elects to include, in the Company’s reports with the SEC.
- 1.6. Provide the Board with the results of its monitoring and recommendations derived from the foregoing.
- 1.7. Fulfill any other duties of the Committee as shall be required under the Companies Law.

The purpose, responsibilities and other provisions specified in this Charter are meant to serve as guidelines, and the Committee is delegated the authority to adopt such additional procedures and standards as it deems necessary or advisable from time to time to fulfill its responsibilities. Unless otherwise prescribed in this Charter, the rules and procedures applicable to the operation of the Board shall apply to the operation of the Committee with any necessary

changes. Nothing herein is intended to expand applicable standards of liability under Israeli or U.S. federal law for directors of a corporation.

The Committee relies on the expertise and knowledge of management and the Company's independent auditor in carrying out its oversight responsibilities. The 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 independent auditor is responsible for auditing the Company's financial statements. It is not the duty of the Committee to plan or conduct audits, to determine that the financial statements are complete and accurate and in accordance with generally accepted accounting principles, to conduct investigations, or to assure compliance with laws and regulations or the Company's standards of business conduct, codes of ethics, internal policies, procedures and controls.

2. Membership

The Committee's membership shall satisfy the following requirements, subject to applicable law:

- 2.1. The Committee shall have three or more members.
- 2.2. The members of the Committee shall be "independent" (or be subject to an applicable exception) as determined in accordance with applicable law, including the Sarbanes-Oxley Act of 2002, Rule 10A-3(b)(1) under the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder, and the NASDAQ Stock Market Rules (the "**NASDAQ Rules**"). A member of the Committee may not, other than in his or her capacity as a member of the Committee, the Board or any other committee established by the Board, receive directly or indirectly from the Company any consulting, advisory or other compensatory fee. Subject to applicable law, a member of the Committee may receive additional directors' fees to compensate such member for the significant time and effort expended by such member to fulfill his or her duties as a Committee member.
- 2.3. The Committee's members shall be appointed by and serve at the discretion of the Board. The Committee's members shall serve until their successors are duly designated and qualified. Any member of the Committee may be removed at any time, with or without cause, by a resolution of the Board. Any vacancy on the Committee occurring for any reason whatsoever may be filled by a resolution of the Board.
- 2.4. No member of the Committee may have participated in the preparation of the financial statements of the Company or any of the Company's current subsidiaries during the preceding three years.
- 2.5. Each member of the Committee must be able to read and understand fundamental financial statements (including a company's balance sheet, statement of operations and comprehensive income and statement of cash flows).
- 2.6. At least one member of the Committee shall have past employment experience in finance or accounting, requisite professional certification in accounting or other comparable experience or background that results in the member's financial sophistication, in each case, consistent with the NASDAQ Rules. That individual must also qualify as an "audit committee financial expert" consistent with the SEC's rules and regulations. The Committee's Chairperson shall be designated by the Board.

3. Meetings and Authority

The Committee shall meet at least once every fiscal quarter, or more frequently as circumstances require. The Committee may ask members of management or others to attend meetings and provide pertinent information, as necessary. In addition, the Committee shall, at such times as it deems appropriate, meet separately with management, the internal auditor, representatives of the internal auditing department, if any, and the independent auditor to discuss any matters that the Committee or any of these persons or firms believe should be discussed privately. It is the responsibility of the Committee to maintain free and open communication among the Committee, the independent auditor, the internal auditor and management of the Company.

The Chairperson of the Committee, in consultation with the other Committee members, may determine the frequency and length of the Committee meetings and may set meeting agendas consistent with this Charter.

The presence (in person or via telephone or other means of remote communication) of a majority of the members of the Committee shall constitute a quorum for the transaction of business, and the act of a majority of those present at any meeting at which there is a quorum shall be the act of the Committee. The Committee may act by unanimous written consent in lieu of a meeting.

The Company's internal auditor shall be provided with notices of all meetings of the Committee, and the Company's independent auditor shall be provided with notice of meetings in which a matter related to the audit of the financial statements or a discussion of the quarterly results of operation of the Company is to be discussed, and shall be entitled to attend such meetings, subject to a determination by the Committee to exclude the independent auditor from all or any part of the meeting to the extent permitted under applicable law. The internal auditor may request that the Committee's Chairperson call a meeting in order to discuss a matter detailed in his or her request for a meeting, and the Chairperson shall call the meeting within a reasonable time, if the Chairperson deems fit, at his or her discretion.

The Committee may retain any independent counsel, experts or advisors that the Committee believes to be necessary or appropriate and shall have the sole authority to approve fees and other retention terms of the foregoing, including termination thereof. The Company must provide for appropriate funding, as determined by the Committee, for payment of compensation to any advisors employed by the Committee and for payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

Subject to applicable law, the Committee may delegate its authority to subcommittees established from time to time by the Committee. Such subcommittees shall consist of one or more members of the Committee and shall report to the Committee.

4. Responsibilities

The Committee shall have the power and authority of the Board to perform the duties and to fulfill the responsibilities detailed below.

Independent Auditor:

- 4.1. Appoint, compensate, retain and oversee the work of the independent auditor subject to approval of the Board and, in the case of appointment or retention, the Company's shareholders. In this regard, from time to time as it deems necessary, the Committee

shall:

- at least annually, obtain and review a written report by the independent auditor describing any material issues raised by the most recent Public Company Accounting Oversight Board inspection, by an internal quality control review of the firm, or by any inquiry or investigation by governmental or professional authorities within the past five years, concerning an independent audit or audits carried out by the firm, and any steps taken to deal with any such issues
 - review the independent auditor's work throughout the year, including obtaining the opinions of management
 - receive written statements from the independent auditor delineating all relationships between the independent auditor and the Company, discuss with the independent auditor any disclosed relationships or services that may impact the objectivity and independence of the independent auditor and recommend any appropriate actions to be taken
 - review the independent auditor's written submission to the Company of annual fees billed, and oversee the Company's provision for appropriate funding, as determined by the Committee, for payment of compensation to the independent auditor for the purpose of preparing or issuing an audit report or performing other audit, review or attest services, subject further to the provisions of the Companies Law
 - meet periodically with the Company's independent auditor in separate executive sessions.
- 4.2. Review and evaluate the senior members of the independent auditor's team, and in particular, the lead audit partner. Discuss with management the timing and process for the rotation of the lead audit partner and the reviewing partner as required by applicable law and rules.
- 4.3. Pre-approve all audit, audit-related and all permitted non-audit services, and related fees and terms, to be provided to the Company by the independent auditor under applicable law and regulations. The Committee may, in accordance with applicable law, establish pre-approval policies and procedures for the engagement of independent accountants to render services to the Company, including a delegation of authority to its Chairperson. The pre-approval of auditing and non-auditing services can be carried out with input from, but no delegation of authority to, management.
- 4.4. Establish policies for hiring of employees or former employees of the independent auditor in accordance with applicable law and regulations.

Internal Control over Financial Reporting:

- 4.5. Review periodically with management, the internal auditor and the independent auditor, the adequacy and effectiveness of the Company's internal control over financial reporting, including any significant deficiencies or material weaknesses in the design or operation of, and any material changes in, the Company's internal controls and any special audit steps adopted in light of any material control deficiencies, and any fraud involving management or other employees with a significant role in such internal controls, and review and discuss with management, the internal auditor and the

independent auditors disclosure relating to the Company's internal controls.

- 4.6. Review with management, the internal auditor and the independent auditor the processes followed for assessment of internal control over financial reporting under Section 404 of the Sarbanes-Oxley Act of 2002, the disclosure regarding such assessment and any attestation by the independent auditor thereon.

Financial Reporting:

- 4.7. Review with management and the independent auditor the annual and quarterly financial statements of the Company prior to filing (or submission) with the SEC (whether filed as part of a Form 20-F or other form required pursuant to applicable law, or filed or furnished under cover of Form 6-K), including the Company's disclosures under "Operating and Financial Review and Prospects" or "Management's Discussion and Analysis of Financial Condition and Results of Operations," any material changes in accounting principles or practices used in preparing the financial statements, and, to the extent applicable, the form of audit opinion to be issued by the auditors on the financial statements.
- 4.8. Discuss with management, and review prior to submission, any responses to SEC comments regarding the Company's financial statements or financial reporting.
- 4.9. Discuss with management and the Company's independent auditors the type of financial information (including earnings guidance) to be disclosed in earnings press releases and earnings calls, as well as to analysts and rating agencies.
- 4.10. Review and discuss with management and the Company's independent auditors the Company's earnings press releases, including, but not limited to, the use of pro forma, adjusted or other non-GAAP financial information, before their release to the public.
- 4.11. Receive periodic reports from the independent auditor regarding:
 - critical accounting policies and practices
 - all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management of the Company, ramifications of the use of alternative disclosures and accounting treatments and the accounting treatment preferred by the independent auditor
 - other material written communications between the independent auditor and management, including any management letter or schedule of adjusted differences.
- 4.12. Review and discuss with the independent auditor the independent auditor's judgments as to the quality, not just the acceptability, of the Company's accounting principles.
- 4.13. Review and discuss with the independent auditor the matters required by PCAOB Auditing Standard No. 1301 (Communications with Audit Committees) relating to the conduct of the audit, including (1) the auditors' responsibilities under generally accepted auditing standards and the responsibilities of management in the audit process, (2) the overall audit strategy, (3) the scope and timing of the annual audit, (4) any significant risks identified during the auditors' risk assessment procedures and (5) when completed, the results, including significant findings, of the annual audit.
- 4.14. Review and discuss with the independent auditor any difficulties encountered in the

course of the audit effort, restrictions on the scope of procedures or access to requested information and any significant disagreements with management, including management's response to these problems, difficulties or disagreements.

- 4.15. Review and discuss with management and the independent auditor significant accounting and reporting issues, including financial reporting pronouncements and proposals, and understand their impact on the Company's financial statements.
- 4.16. If the Company becomes subject to the U.S. proxy rules, prepare a "Report of the Audit Committee" to be included in the Company's annual proxy statement.
- 4.17. Meet periodically in separate executive sessions with the Company's Chief Financial Officer, Chief Executive Officer and Compliance Officer.

Internal Auditor:

- 4.18. Recommend to the Board the retention and termination of the internal auditor, and determine the internal auditor's fees and other terms of engagement, in accordance with the Companies Law.
- 4.19. Review and approve the yearly or periodic work plan proposed by the internal auditor (discussing, among other things whether the internal auditor has sufficient resources and tools to dispose of its responsibilities, taking into consideration the Company's special needs and size).
- 4.20. Review the scope and performance of the internal audit plan, including the results of any internal audits, any reports to management and management's responses to such reports.
- 4.21. If the Committee finds necessary, review whether the Company should implement an internal audit function consisting of employees of the Company. If so, review the internal audit function, including its independence, effectiveness, proposed control review plans and resources for the coming year (determining whether the internal auditor has sufficient resources and tools to dispose of its responsibilities, taking into consideration the Company's special needs and size), and the coordination of such plans with the independent public accountant.

Legal and Regulatory Compliance:

- 4.22. Review and monitor, as appropriate, (i) litigation or other legal matters that could have a significant impact on the Company's financial results; and (ii) significant findings of any examination by regulatory authorities or agencies, in the areas of securities, accounting or tax.
- 4.23. Oversee the establishment of procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by Company employees of concerns regarding questionable accounting, auditing matters, or deficiencies in the Company's business operations, including the protection to be granted to such complaining employees.
- 4.24. Receive reports of suspected business irregularities and legal compliance issues through periodic and, when appropriate, immediate reporting by members of the Company's

management, legal counsels, the independent or internal auditor or pursuant to any “whistleblower policy” adopted by the Committee. The Committee shall be fully entitled to rely on reports that it receives and shall be under no obligation to conduct any independent investigation or verification.

- 4.25. Oversee the Company’s policies and procedures regarding compliance with applicable financial reporting and accounting related standards, rules and regulations.
- 4.26. Review and consider the approval of related party transactions and transactions involving an Office Holder of the Company (as defined in the Companies Law) that may present a conflict of interest between the duties of such Office Holder to the Company and his or her personal interests, in each case in accordance with the NASDAQ Rules, the Companies Law or as referred by the Board (each, a “**Related Party Transaction**”) (and except for Related Party Transactions that are subject to review by the Company’s Compensation Committee according to applicable law). In carrying out such role, the Committee shall apply the criteria provided by applicable law to determine if certain transactions and actions should be classified as extraordinary transactions and material actions and/or as transactions that are not insignificant, in which case the Committee shall review and consider their approval in accordance with the Companies Law (including considering whether a competitive bidding process or other procedures are required with respect to such Related Party Transactions, based on the type of transaction).
- 4.27. To the extent required pursuant to PCAOB Auditing Standard 2410, Related Parties, confirm that the Company’s independent auditors are informed of the Committee’s understanding of the Company’s Related Party Transactions that are significant to the Company, and review and discuss with the Company’s independent auditors the auditors’ evaluation of the Company’s identification of, accounting for, and disclosure of such Related Party Transactions, including any significant matters arising from the audit regarding such Related Party Transactions.
- 4.28. Review with the Company’s General Counsel and/or external counsel legal and regulatory matters that could have a material impact on the financial statements.

Other Responsibilities:

- 4.29. Review periodically the Company’s major financial risk exposures and the Company’s practices for managing such risks.
- 4.30. Review and approve any material change or waiver in the Company’s Code of Conduct regarding directors or executive officers (as defined by the SEC with respect to annual reports), and disclosures made in the Company’s annual report in such regard.
- 4.31. Any other responsibility set forth in the Companies Law, as may be from time to time.
- 4.32. Perform such other duties consistent with this Charter, the Company’s governing documents and governing law that may be requested by the Board.

5. Reporting

The Committee will apprise the Board regularly of its decisions and recommendations and of significant developments in the course of performing the above responsibilities and duties. Without derogating from the aforesaid, the Committee shall submit any recommendation or

resolution which is subject to Board approval a reasonable time prior to the contemplated Board meeting.

6. Review

The Committee shall annually review and assess the adequacy of this Charter and recommend any proposed changes to the Board for approval. In addition, the Committee shall periodically review its own performance.

7. Minutes

The Committee will maintain written minutes of its meetings.

8. Interpretation; Definitions

To the extent (a) any of the provisions included herein is a description or summary of any applicable law or is intended to recite the provisions of any applicable law or (b) the Company becomes subject to any additional provisions of the Companies Law or any other law that are applicable to the Committee (including if the Company is no longer exempt from the requirement to appoint external directors under the Companies Law), then in the event of any inconsistency, contradiction or any other conflict between the provisions herein and the provisions of such applicable law, then the provisions of such applicable law shall prevail, supersede and be deemed to constitute an integral part of this Charter (the Company will take all action to amend such provisions as necessary to comply with all such applicable laws). In the event that any such provision of applicable law is amended to include any relief or exclusion, then such relief and exclusions shall be deemed to constitute an integral part of this Charter, whether or not such conflict, inconsistency or contradiction arises.

Any references to any law, statute or regulation are to it as amended, supplemented or restated, from time to time (and, in the case of any law, to any successor provisions or re-enactment or modification thereof being in force at the time); any reference to “law” shall include any supranational, national, federal, state, local, or foreign statute or law and all rules and regulations promulgated thereunder (including, any rules, regulations or forms prescribed by any governmental authority or securities exchange commission or authority); and any reference to “law” shall be read subject to the Company’s Articles of Association, as amended from time to time.

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Last amended: November 5, 2019