

CORPORATE GOVERNANCE GUIDELINES

MELLANOX TECHNOLOGIES, LTD.

The Board of Directors (the “**Board**”) of Mellanox Technologies, Ltd., an Israeli company (the “**Company**”), has adopted the following Corporate Governance Guidelines (the “**Guidelines**”) to assist the Board in the exercise of its responsibilities and to serve the interests of the Company and its shareholders. These Guidelines should be interpreted in the context of all applicable laws and the Company’s amended and restated articles of association and other corporate governance documents. These Guidelines acknowledge the leadership exercised by the Board’s standing committees and their chairs and are intended to serve as a flexible framework within which the Board may conduct its business and not as a set of legally binding obligations. The Guidelines are subject to modification from time to time by the Board as the Board may deem appropriate and in the best interests of the Company and its shareholders or as required by applicable laws and regulations.

I. THE BOARD

A. Independence of the Board

Except as otherwise permitted by the applicable NASDAQ rules, the Board will be comprised of a majority of directors who qualify as independent directors (the “**Independent Directors**”) as required under NASDAQ rules.

B. Separate Sessions of Independent Directors

The Independent Directors will meet in executive session without non-Independent Directors or management present on a regularly scheduled basis, but no less than twice per year.

C. Director Qualification Standards and Additional Selection Criteria

Members of the board of directors should have the highest professional and personal ethics and values and conduct themselves in a manner that is consistent with the Company’s Code of Business Conduct and Ethics. The Nominating and Corporate Governance Committee has not established specific minimum qualifications for director candidates over and above requirements under the Israel Companies Law, 1999, as amended from time to time, and the regulations promulgated thereunder (“**Companies Law**”), which include fundamental competence, time to devote to the role and absence of bankruptcy or convictions under the Companies Law. Nonetheless, the Nominating and Corporate Governance Committee believes that candidates and nominees must reflect a board of directors that comprises directors who have: personal and professional integrity, ethics and values; experience in corporate management, such as serving as an officer or former officer of a publicly held company, and a general understanding of marketing, finance and other elements relevant to the success of a publicly traded company in today’s business environment; experience in the Company’s industry and with relevant social policy concerns; experience as a board member of another publicly held company; academic expertise in an area of the Company’s operations; and practical and mature business judgment, including the ability to

make independent analytical inquiries. The Company and the Board each also recognize the great value in diversity of experience and perspective, including but not limited to diversity in gender, race, culture, nationality, background and professional experience. The Board also values the requirement of the Companies Law to include at least one woman on its Board.

D. Director Responsibilities

The business and affairs of the Company will be managed by or under the direction of the Board, including through one or more of its committees. Each director is expected to spend the time and effort necessary to properly discharge his or her responsibilities. These include, in addition to the requirements of the Companies Law:

- exercising his or her business judgment in good faith;
- acting with independent judgment in what he or she reasonably believe to be the best interest of all shareholders;
- becoming and remaining well-informed about the Company's business and operations and general business and economic trends affecting the Company; and
- ensuring that the business of the Company is conducted so as to further the long-term interests of its shareholders.

E. Director Orientation and Continuing Education

Management will provide an orientation process for new directors, including background material on the Company and its business. As appropriate, management will provide opportunities for additional educational sessions for directors on matters relevant to the Company and its business and corporate governance.

F. Limitation on Other Board Service

The Board has determined that its non-employee members should not serve on more than five (5) other public company boards and that if the Chief Executive Officer is also a Board member, he or she shall not serve on more than two (2) other public company boards. The Nominating and Corporate Governance Committee may take into account the nature of and time involved in a director's service on other boards and/or committees in evaluating the suitability of individual director candidates, current directors and committee assignments.

Service on other boards and/or committees should be consistent with the Company's conflict of interest policies and Board members are required to notify the Company and the Nominating and Corporate Governance Committee in advance of accepting a board appointment.

G. Directors Who Resign or Materially Change Their Current Positions With Their Own Company or Become Aware of Circumstances that May Adversely Reflect upon the Director or the Company

When a director, including any director who is currently an officer or employee of the Company, resigns or materially changes his or her position with his or her employer or becomes aware of circumstances that may adversely reflect upon the director or the Company, such director should notify the Board of such circumstances. The Nominating and Corporate Governance Committee will consider the circumstances, and may in certain cases recommend that the Board request that the director submit his or her resignation from the Board if, for example, continuing service on the Board by the individual is not consistent with the criteria deemed necessary for continuing service on the Board. Notwithstanding the above, when a director ceases to comply with of the director qualification requirements of the Companies Law, such director shall immediately notify the Board and his or her term will expire on the notice date.

H. Term Limits

As each director is subject to election by shareholders, the Board does not believe it is in the best interests of the Company to establish term limits at this time. Additionally, such term limits may cause the Company to lose the contribution of directors who have been able to develop, over a period of time, increasing insight into the Company's business and therefore can provide an increasingly significant contribution to the Board.

I. Compensation

The Board believes that director compensation should fairly pay directors for work required in a business of the Company's size and scope, and that compensation should align directors' interests with the long-term interests of shareholders. The Compensation Committee will review and make recommendations to the Board regarding the cash and equity compensation of directors as well as directors insurance, indemnification and exemptions. The Company's executive officers do not receive additional compensation for their service as directors.

Except as otherwise permitted by the applicable NASDAQ rules and by express waiver of the Nominating and Corporate Governance Committee, non-employee directors may not directly or indirectly receive any compensation from the Company other than their directors' compensation, including any compensation for service on committees of the Board and the receipt of equity incentive awards.

J. Share Ownership and Holding Requirements

The Board believes that ownership of Company shares is important to align the interests of directors and executive officers with those of shareholders. Accordingly, the Board adopted an Executive Officer and Director Share Ownership Policy ("Share Ownership Policy"). Under the Share Ownership Policy, specified individuals are required to maintain during his or her service to the Company a beneficial ownership of Company ordinary shares with a value equal to three times (a) in the case of specified officers, his or her annual base salary and (b) in the case of non-employee members of the Board, the annual cash retainer provided solely based upon service as a member of the Board without taking into account any committee or chair fees, as determined on the date of the Company's annual shareholders meeting each year.

Each specified employee and non-employee director is given five years to attain ownership. In an effort to support compliance with the Share Ownership Policy, if a specified employee or non-employee director fails to meet the minimum ownership requirement within the allotted period, then such specified employee or non-employee director shall not sell or otherwise dispose of Company ordinary shares acquired upon exercise, vesting or settlement of options, restricted share units and other equity awards granted by the Company except for sales which do not exceed the lesser of (i) twenty-five percent (25%) of the gross number of shares acquired upon such exercise, vesting or settlement or (ii) fifty percent (50%) of the number of shares remaining after satisfying the exercise price, if any, and tax withholding requirements, determined as if such option, restricted share unit or other equity award had been net exercised or settled (irrespective of whether actually net settled).

Trading plans entered into under the Company's Insider Trading Compliance Program must comply with the Share Ownership Policy.

The minimum ownership requirement under the Share Ownership Policy may be waived at the sole discretion of the disinterested members of the Compensation Committee of the Board if compliance would create severe hardship for the specific employee or non-employee director, would violate Section 16(b) of the Exchange Act, or would prevent the individual from complying with a court order.

K. Prohibition Against Hedging. The Company's Insider Trading Compliance program prohibits hedging of the Company's ordinary shares.

L. Board Access to Senior Management

The Board will have complete access to Company management in order to ensure that directors can ask any questions and receive all information necessary to perform their duties. Directors should exercise judgment to ensure that their contact with management does not distract managers from their jobs or disturb the business operations of the Company. Any meetings or contacts that a director wishes to initiate may be arranged through the Chief Executive Officer or the Chairman of the Board, or if neither is available or neither is appropriate, directly by the director. To the extent appropriate, such contact, if in writing, should be copied to the Chief Executive Officer of the Company.

M. Board Access to Independent Advisors

The Board committees may hire independent advisors as set forth in their applicable charters. The Board as a whole shall have access to any independent advisor retained by the Company, and the Board may hire any independent advisor it considers necessary to discharge its responsibilities.

N. Annual Self-Evaluation

The Nominating and Corporate Governance Committee will oversee a regular assessment of each current director, the Board and its committees.

II. BOARD MEETINGS

A. Frequency of Meetings

The Board will meet at least five (5) times annually. In addition, special meetings may be called from time to time as determined by the needs of the business. It is the responsibility of the directors to attend meetings.

B. Director Attendance

A director is expected to spend the time and effort necessary to properly discharge his or her responsibilities. Accordingly, a director is expected to regularly prepare for and attend meetings of the Board and all committees on which the director sits (including separate meetings of the Independent Directors), with the understanding that, on occasion, a director may be unable to attend a meeting. A director who is unable to attend a meeting of the Board or a committee of the Board is expected to notify the Chairman of the Board or the Chairman of the appropriate committee in advance of such meeting, and, whenever possible, participate in such meeting via teleconference in the case of an in-person meeting.

C. Attendance of Non-Directors

The Board encourages the Chairman of the Board or of any committee to invite Company management and outside advisors or consultants from time to time to participate in Board and/or committee meetings to (i) provide insight into items being discussed by the Board which involve the manager, advisor or consultant, (ii) make presentations to the Board on matters which involve the manager, advisor or consultant, and (iii) bring managers with high potential into contact with the Board. All non-management directors who are not members of the Committee may attend and observe meetings of the Committee, but shall not participate in any discussion or deliberation, unless invited to do so by the Committee, and in any event shall not be entitled to vote. The Committee Chair may, at his/her discretion, include in the Committee meetings members of the Company's management, representatives of the independent auditor, the internal auditor, any other financial personnel employed or retained by the Company or any other person whose presence the Committee Chair believes to be necessary or appropriate provided that any resolution is adopted without such person presence. Notwithstanding the foregoing, the Chief Executive Officer, other officers of the Company and any other person may not be present during voting or final deliberations concerning their compensation or other matters with respect to which they have a personal interest, and the Committee may exclude from its meetings any persons it deems appropriate, including but not limited to, any non-management director who is not a member of the Committee. The Company's legal counsel (both in-house legal counsel and external legal counsel) and the secretary of the Company, may be present during the discussions and decisions making, if so requested by the Committee.

D. Advance Receipt of Meeting Materials

Information regarding the topics to be considered at a meeting is essential to the Board's understanding of the business and the preparation of the directors for a productive meeting. To the extent feasible, the meeting agenda and any written materials relating to each Board meeting will be distributed to the directors sufficiently in advance of each meeting to allow for meaningful review of such agenda and materials by the directors. Directors are expected to have reviewed and be prepared to discuss all materials distributed in advance of any meeting.

III. COMMITTEE MATTERS

The Board currently has four (4) standing committees: (i) the Audit Committee, (ii) the Compensation Committee, (iii) the Nominating and Corporate Governance Committee and (iv) the Technology, Strategy and M&A Committee. Each committee will perform its duties as assigned by the Board in compliance with the Company's bylaws and the committee's charter. It is the responsibility of the directors to attend the meetings of the committees on which they serve.

IV. CEO SUCCESSION PLANNING & PERFORMANCE REVIEW

The Board (or a committee delegated by the Board) will annually (i) work with the Chief Executive Officer to evaluate the Company's succession plans upon the Chief Executive Officer's retirement and in the event of an unexpected occurrence, and (ii) review the performance of the Chief Executive Officer.

V. PERIODIC REVIEW OF GUIDELINES

The Nominating and Corporate Governance Committee shall, from time to time as it deems appropriate, review and reassess the adequacy of these Guidelines and recommend any proposed changes to the Board for approval.

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