

Promissum Software Ltd.

CHARTER OF THE AUDIT COMMITTEE

OF THE BOARD OF DIRECTORS

I. PURPOSE

The purpose of the Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of Promissum Software Ltd. (the “Company”) is to assist the Board in fulfilling its statutory and fiduciary oversight responsibilities relating to the Company’s financial accounting, reporting and controls.

The Committee’s principal functions are to:

- monitor and evaluate periodic reviews of the adequacy of the accounting and financial reporting processes and systems of internal control that are conducted by the Company’s financial and senior management and the Company’s independent auditors;
- be directly responsible for the appointment, compensation and oversight of the work of the Company’s independent auditors (including resolution of any disagreements between management and the auditors regarding financial reporting);
- review and evaluate the qualifications, independence and performance of the Company’s independent auditors;
- monitor the Company’s compliance with legal and regulatory requirements;
- monitor the performance of the Company’s internal audit function; and
- facilitate communication among the Company’s independent auditors, the Company’s financial and senior management and the Board.

The Committee will fulfill these functions primarily by carrying out the activities enumerated in Part IV of this charter. In order to serve these functions, the Committee shall have unrestricted access to Company personnel and documents, and shall have authority to direct and supervise an investigation into any matters within the scope of its duties, including the power to retain outside legal, accounting or other advisors in connection with any such investigation as the Committee deems necessary or advisable in fulfilling its responsibilities.

II. MEMBERSHIP

All members of the Committee will be appointed based on the recommendation of the Corporate Governance and Nominating Committee by, and shall serve at the discretion of, the Board. Unless a chair is elected by the full Board, the members of the Committee may designate a chair by majority vote of the Committee membership.

The Committee shall consist of three or more members of the Board, with the exact number being determined by the Board. Each member of the Committee shall be “independent” as defined by the rules of the Securities and Exchange Commission and any exchange or market upon which the Company’s capital stock is traded (the “Rules”), except as otherwise permitted by such Rules. Each

member of the Committee shall have the ability to read and understand fundamental financial statements in accordance with the requirements of the exchange or market upon which the Company's capital stock is traded and at least one member shall be a "financial expert" as such term is defined by the Securities and Exchange Commission. The Board may designate one or more independent directors as alternate members of the Committee who may replace any absent or disqualified member at any Committee meeting.

III. MEETINGS AND MINUTES

The Committee shall meet at least four times per year in connection with the Company's regularly scheduled meetings of the Company's Board. The Committee shall also meet with the Company's independent auditors and management, at such time as are appropriate to review the financial affairs of the Company.

The Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.

IV. RESPONSIBILITIES AND DUTIES

The following shall be the principal recurring processes of the Committee in carrying out its oversight responsibilities. These processes are set forth as a guide with the understanding that the Committee may supplement them as appropriate and may establish policies and procedures from time to time that it deems necessary or advisable in fulfilling its responsibilities.

1. Appoint, set the compensation for, evaluate the performance and continuing independence of and, if necessary, terminate the independent auditors. In evaluating the independence of the independent auditors, the Committee shall obtain and review, on an annual basis, a letter from the independent auditors describing all relationships between the independent auditors and the Company required to be disclosed by Independence Standards Board Standard No. 1, review the nature, fees, and proposed audit scope and terminate any relationships that the Committee believes could compromise the independence of the auditors.
2. In connection with the Committee's review of the annual financial statements:
 - (a) Review and discuss with the independent auditors and management, the financial statements, including the disclosures in any press release and in the section "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's Annual Report on Form 10-K, and the results of the independent auditors' audit of the financial statements.
 - (b) Discuss any items required to be communicated by the independent auditors in accordance with SAS No. 61, as may be modified or supplemented.
 - (c) Require a report from the independent auditors addressing:

All critical accounting policies and practices to be used;

- (i) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditors;

- (ii) other material written communications between the independent auditors and management, such as any management letter or schedule of unadjusted differences;
 - (iii) the Company's quality-control procedures and any material issues raised by the most recent review of these procedures; and
 - (iv) all relationships between the Company and the independent auditors. Discuss any comments or recommendations outlined in such report. Establish a schedule for implementing any recommended changes and review this implementation.
 - (d) Recommend to the Board whether or not the audited financial statements should be included in the annual report on Form 10-K.
3. In connection with the Committee's review of the quarterly financial statements:
- (a) Review and discuss with the independent auditors and management, the financial statements, including the disclosures in any press release and in the section "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's Quarterly Reports on Form 10-Q, and the results of the independent auditors' SAS 71 review of the quarterly financial statements.
 - (b) Discuss significant issues, events and transactions and any significant changes regarding accounting principles, practices, judgments or estimates with the independent auditors and management, including any significant disagreements among management and the independent auditors.
4. At least quarterly, meet separately with management, the internal auditors and with the independent auditors to discuss the adequacy of the Company's accounting and financial reporting processes and systems of internal control, the fullness and accuracy of the Company's financial statements and any other matters that the Committee believes should be discussed.
5. Discuss with management policies with respect to risk assessment and risk management.
6. Pre-approve all audit and non-audit services to be performed by the independent auditors. The Committee may delegate one or more of its members the authority to grant pre-approvals of non-audit related services, provided that the pre-approval decision and related services are presented to the Committee at the next regularly scheduled Committee meeting.
7. Communicate with the Company's independent auditors about the Company's expectations regarding its relationship with the auditors, including the following: (i) the independent auditors' ultimate accountability to the Committee, as representatives of the Company's stockholders; and (ii) the sole authority and responsibility of the Committee to select, evaluate and, where appropriate, replace the independent auditors. Review the independent auditor's audit plan and discuss the planning and staffing of the audit.
8. Review the performance of the Company's internal audit function, which shall include a review of the staffing of the internal audit department and a review of any significant reports to management prepared by the internal auditing department.

9. Periodically review the status of any pending or threatened legal proceedings that could have a significant impact on the Company's financial statements. Review the status and/or the findings of any inquiries or investigations by government or regulatory agencies.
10. Provide oversight and review of the Company's asset management policies, including an annual review of the Company's investment policies and performance for cash and short-term investments.
11. As appropriate, obtain advice and assistance from outside legal, accounting and other advisors. If necessary, institute special investigations and, where appropriate, engage outside advisors to assist.
12. Establish and monitor the procedures for (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and (b) the confidential, anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matters.
13. Set clear hiring policies for employees or former employees of the independent auditors.
14. Review and discuss any certifications provided by officers of the Company pursuant to legal requirements or the requirements of any exchange or market upon which the Company's capital stock is traded.
15. At least annually, review the performance of the Committee through self-assessment and assessment by the Board.
16. Annually prepare a report to the Company's stockholders for inclusion in the proxy statement for the Company's annual meeting as required by the rules and regulations of the Securities and Exchange Commission.
17. Report regularly to the Board on significant matters related to the Committee's responsibilities. Review with the Board any issues that arise with respect to the quality and 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 auditors or the performance of the internal audit function.
18. Review and reassess the adequacy of the Committee's charter, structure, processes and membership requirements at least annually and recommend changes to the Board for approval. Include a copy of the charter as an appendix to the Company's proxy statement as required by the rules and regulations of the Securities and Exchange Commission (currently, once every three years).
19. Perform any other activities required by applicable law, rules or regulations, including the rules of the Securities and Exchange Commission and any exchange or market on which the Company's capital stock is traded, and perform other activities that are consistent with this charter, the Company's Bylaws and governing laws, as the Committee or the Board deems necessary or appropriate.

V. OTHER

The Company shall provide for appropriate funding, as determined by the Committee, in its capacity as a committee of the Board, for payment of compensation to (a) the Company's independent auditors for the purpose of rendering or issuing an audit report, and (b) to any outside advisors employed by the Committee pursuant to this Charter.