

AUDIT COMMITTEE CHARTER

This Audit Committee Charter (“**Charter**”) has been adopted by the Board of Directors (the “**Board**”) of Camtek Ltd. (the “**Company**”). The Audit Committee of the Board (the “**Committee**”) will review and reassess the adequacy of this charter annually and recommend any proposed changes to the Board for approval. The Committee will cause this charter to be publicly available as required by Securities and Exchange Commission (the “**Commission**”) regulations.

ROLE AND INDEPENDENCE; ORGANIZATION

The Committee assists the Board in fulfilling its responsibility for oversight of the quality and integrity of the accounting, auditing and financial reporting practices of the Company and the independence, qualification and performance of the Company’s independent auditors. The Committee also assists the Board in monitoring compliance by the Company with legal and regulatory requirements.

The membership of the Committee will consist of at least three directors who meet the independence and experience requirements of The Nasdaq Stock Market (“**Nasdaq**”) and the rules and regulations of the Commission. At least one member of the Committee will be an “audit committee financial expert” as defined by the rules of the Commission. The membership of the Committee will be free of any relationship that, in the opinion of the Board, may interfere with such member’s individual exercise of independent judgment. Upon appointment to the Committee, each member of the Committee will be able to read and understand fundamental financial statements, including the Company’s balance sheet, income statement and cash flow statement. At least one member of the Committee will have past employment experience in finance or accounting, or any other comparable experience or background which results in the individual’s financial sophistication. Committee members are appointed by, and may be replaced by, the Board.

The Committee will maintain free and open communication (including separate private sessions from time to time) with the independent auditors and Company management. In discharging its oversight role, the Committee will have full access to all Company books, records, facilities, personnel and outside professionals, including the Company’s outside counsel and independent auditors.

The Committee will have the authority to retain independent legal, accounting or other consultants as advisors. The Company will provide for funding, as determined by the Committee, for payment of compensation to the independent auditor for the purpose of rendering or issuing an audit report and to any advisors employed by the Committee.

The Committee will make regular reports to the Board. The Committee will meet as often as it determines, but not less than four times a year. One member of the Committee will be appointed as chair (the “**Chair**”). The Chair will be responsible for leadership of the Committee, including scheduling and presiding over meetings, preparing agendas, and making regular reports to the Board. The Chair will also maintain regular liaison with the Chief Executive Officer and Chief Financial Officer of the Company, and the lead independent audit partner of the independent auditor. The Committee will review the Committee’s own performance once a year.

The Committee will prepare the report required by the rules of the Commission to be included in the Company’s annual proxy statement.

RESPONSIBILITIES

In recognition of the fact that the independent auditors are accountable to the Committee, the Committee will have the authority and responsibility to recommend (for shareholder approval), evaluate and, where appropriate, recommend (for shareholder approval) the replacement of the independent auditors. The Committee may consult with management, but it will not delegate these

responsibilities. The Committee will be directly responsible for the compensation and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The independent auditor will report directly to the Committee.

The Committee will oversee the relationship with the independent auditor, including discussions with the auditors concerning:

- the planning and staffing of the audit;
- the nature and rigor of the audit process;
- the receiving and reviewing of audit reports;
- any management letters provided by the auditors and the Company's response to the letters; and
- providing the auditors full access to the Committee and the Board to report on all appropriate matters.

The Committee will pre-approve all auditing services and permitted non-audit services (including the fees and other terms) to be performed for the Company by its independent auditor to the extent required by law. The Committee may adopt policies and procedures to permit delegation of authority to subcommittees consisting of one or more members when appropriate, including the authority to grant pre-approvals of audit and permitted non-audit services. Decisions of the subcommittee to grant pre-approvals will be presented to the full Committee at its next scheduled meeting.

Although the Board and the Committee may consider other duties from time to time, the Committee, to the extent it deems necessary or appropriate, will:

1. Review and discuss with management and the independent auditor the annual audited financial statements, including disclosures made in management's discussion and analysis, and recommend to the Board whether the audited financial statements should be included in the Company's Annual Report on Form 20-F.
2. Discuss with management and the independent auditor significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements. This will include any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies. These discussions may also include a review of particularly sensitive accounting estimates, reserves and accruals, review of audit adjustments (whether or not recorded) and other inquiries as the Committee or the independent auditors deem appropriate.
3. Receive and review timely reports required to be made by the independent auditors on:
 - all critical accounting policies and practices of the Company;
 - 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 auditor; and
 - other material written communications between the independent auditor and management.

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4. Discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control these exposures, including the Company's risk assessment and risk management policies.
 5. Discuss with the independent auditor the matters required to be discussed by Statement on Auditing Standards No. 61 relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.
 6. Evaluate periodically whether senior management has established and appropriately reinforced the importance of internal control over financial reporting as defined in applicable rules and regulations of the Commission and whether recommendations for improved controls are timely implemented by management.
 7. Evaluate periodically the Company's disclosure controls and procedures as defined in applicable rules and regulations of the Commission.
 8. Obtain and review a report from the independent auditor at least annually regarding:
 - the independent auditor's internal quality-control procedures;
 - any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm;
 - any steps taken to deal with any such issues; and
 - all relationships between the independent auditor and the Company, consistent with Independence Standards Board Standard No. 1. The Committee will actively engage in a dialogue with the independent auditors with respect to any disclosed relationships that may impact the objectivity and independence of the auditors and will recommend that the Board take appropriate actions to oversee the auditors' independence.
 9. Evaluate the qualifications, performance and independence of the independent auditor, including considering whether the auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence, taking into account the opinions of management.
 10. Establish 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 employees of concerns regarding questionable accounting or auditing matters.
 11. Discuss with management and the independent auditor any correspondence with regulators or governmental agencies and any published reports which raise material issues regarding the Company's financial statements or accounting policies.
 12. Review and approve all related party transactions required to be disclosed pursuant to Regulation S-K, Item 404 of the Commission, as such regulation may be amended from time to time.

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13. The Committee will function as the Company's Qualified Legal Compliance Committee (the "QLCC") as defined in the rules of the Commission. In this capacity, the QLCC will adopt written procedures for the QLCC, including the procedure for administering the confidential receipt, retention and consideration of any report of a material violation of federal securities laws, breach of fiduciary duty or similar violations by the Company or any officer, director, employee or agent of the Company. The procedures will comply with the rules of the Commission.

LIMITATION OF AUDIT COMMITTEE'S ROLE

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the independent auditor. The Committee and the Board recognize that management (including the internal audit staff) and the independent auditors have more resources and time and more detailed knowledge and information regarding the Company's accounting, financial and auditing practices than do Committee members. Accordingly the Committee's oversight role does not provide any expert or special assurance as to the Company's financial statements or any certification as to the work of the independent auditors.