

BRAINSWAY LTD.

AUDIT COMMITTEE CHARTER

I. General Statement of Purpose

The purpose of the Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of Brainsway Ltd. (the “Company”) is to assist the Board in overseeing the accounting, auditing and financial reporting processes of the Company.

The Committee’s specific responsibilities in carrying out its oversight role are delineated in the Audit Committee Responsibilities Guidelines attached hereto which, for the avoidance of doubt, are considered a part of this Charter.

II. Composition of the Committee

The Committee shall, subject to any available exception, consist of at least three (3) members of the Board, each of whom must (i) meet the criteria for independence set forth in Rule 10A-3(b)(1) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), subject to the exemptions provided in Rule 10A-3(c) under the Exchange Act; (ii) satisfy the independence standards established pursuant to Rule 5605(a)(2) of The NASDAQ Stock Market (“NASDAQ”) Listing Rules (including the tests set forth in NASDAQ Listing Rule 5605(c)(2)(A)); and (iii) not have participated in the preparation of the financial statements of the Company or a current subsidiary of the Company at any time during the past three years.

Each member of the Committee must be able to read and understand fundamental financial statements, including the Company’s balance sheet, income statement, and cash flow statement. One or more members of the Committee shall qualify as an “audit committee financial expert” under the rules promulgated by the Securities and Exchange Commission (“SEC”).

The members of the Committee shall be appointed by the Board and may be replaced or removed, by the Board with or without cause. Resignation or removal of a director from the Board, for whatever reason, shall automatically and without any further action constitute resignation or removal, as applicable, from the Committee. Any vacancy on the Committee, occurring for whatever reason, may be filled only by the Board. The Board shall designate one member of the Committee to be Chairman of the Committee. In the absence of a member designated by the Board to serve as the Chairman of the Committee, the members of the Committee may appoint from among their number a person to preside at their meetings.

All indemnification, exculpation, expense reimbursement and advancement provisions and rights available to members of the Committee in their capacities as directors of the Company shall be fully applicable with respect to their service on the Committee or any subcommittee thereof.

III. Compensation

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 from the Company. 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.

IV. Meetings of the Committee

The Committee shall meet as often as it determines is appropriate to carry out its responsibilities under this Charter, but not less frequently than quarterly.

A majority of the members of the Committee shall constitute a quorum for purposes of holding a meeting and the Committee may act by a vote of a majority of the members present at such meeting and entitled to vote on the matter.

In lieu of a meeting, the Committee may act by unanimous written consent. The Chairman 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 independent auditor shall be invited to every meeting of the Committee that relates to the financial statements of the Company. The internal auditor shall be invited to all Committee meetings. In addition, the internal auditor may request the Chairman of the Committee to convene a meeting to discuss a particular issue, and the Chairman of the Committee shall convene such meeting within a reasonable period of time, if the Chairman of the Committee finds it appropriate to do so. The Committee shall maintain minutes of its meetings.

Each regularly scheduled meeting may conclude with an executive session of the Committee absent members of management and/or external parties.

The Committee's actions shall be reported to the Board with such conclusions or recommendations on an ongoing basis. Such conclusions or recommendations which require the approval of the Board will be brought to the attention of the directors a reasonable period of time prior to the discussion of such conclusions at the Board.

V. Independent Counsel and Advisors

The Committee may retain any independent counsel, experts or advisors that the Committee believes to be necessary or appropriate. The Company must provide 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, 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.

VI. Delegation of Duties

In fulfilling its responsibilities, subject to applicable law and NASDAQ rules, the Committee is entitled to delegate any or all of its responsibilities to a subcommittee of the Committee.

VII. Scope of Authority

In addition to the duties and responsibilities expressly delegated to the Committee in this Charter, the Committee shall fulfill such other duties and responsibilities as shall be required under the Companies Law and applicable NASDAQ rules. The Committee may exercise any other powers and carry out any other responsibilities consistent with this Charter, the purposes of the Committee, the Company's articles of association, the Companies Law and applicable NASDAQ rules.

The Committee relies on the expertise and knowledge of management, the independent auditor and the Company's internal auditor in carrying out its oversight responsibilities. 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.

AUDIT COMMITTEE RESPONSIBILITIES GUIDELINES

The Committee shall:

A. General

- Be empowered to conduct or authorize investigations into any matters within the Committee's scope of responsibilities, and Company personnel shall be obligated to cooperate with any such investigation. Monitor deficiencies in the management of the Company, including in consultation with the independent auditors or the internal auditor, and to advise the Board on how to correct such deficiencies.
- If the Committee finds a material deficiency in the management of the Company, it will hold at least one meeting regarding such material deficiency, with the presence of the internal auditor or the independent auditors without the presence of officers of the Company; however, an officer can participate in the meeting in order to present an issue which is under his responsibility.
- Review legal and regulatory matters that may have a material impact on the financial statements, related Company compliance policies and programs and reports received from regulators.
- Meet with the Company's financial management in executive sessions to discuss any matters that the Committee or the financial management believe should be discussed privately with the Committee.
- Establish procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and (ii) the confidential, anonymous submissions by employees of concerns regarding deficiencies in its business operations or questionable accounting or auditing matters, and the protection of such employees. The Chairman of the Committee has been appointed by the Board as the addressee for any such complaints.

B. Oversight of Relationship with Independent Auditor

- Oversee the independence, appointment, compensation and performance of the Company's independent auditors;
- The Committee must ensure that the independent auditor prepares and delivers, at least annually, a written statement delineating all relationships between the independent auditor and the Company, must actively engage in a dialogue with the independent auditor with respect to any disclosed relationships or services that, in the view of the Committee, may impact the objectivity and independence of the independent auditor, and, if the Committee determines that further inquiry is advisable, must take appropriate action in response to the independent auditor's report to satisfy itself of the auditor's independence.
- Recommend to the Board and shareholders the appointment, termination and approval of the compensation of, and oversee, the Company's independent auditor, and any other registered public accounting firm engaged for the purpose of preparing or issuing an audit report or related work or performing other audit, review or attest services for the Company.
- The Committee, or the Chairman of the Committee, must pre-approve all audit and non-audit services to be provided by the independent auditor, unless the engagement is entered into pursuant to appropriate preapproval policies established by the Committee or if such service falls within available exceptions under SEC rules.

- Oversee the hiring by the Company of any employees or former employees of the Company's auditors.
- Meet with the independent auditor in executive sessions to discuss any matters that the Committee or the independent auditor believes should be discussed privately with the Committee.
- Resolve disagreements between management and the independent auditor regarding financial reporting.

C. Internal Control Oversight and Risk Management

- Propose to the Board the appointment of an internal auditor, and express its opinion with regard to the termination of the internal auditor's engagement by the Company.
- Meet with the internal auditor in executive sessions to discuss any matters that the Committee or the internal auditor believes should be discussed privately with the Committee.
- Examine and approve the annual and periodical working plan of the internal auditor.
- Discuss with management and the Company's independent auditor significant risks or exposures and assess the steps management has taken to minimize such risk to the Company.
- Consider and review with the independent auditor:
 - the adequacy of the Company's internal financial controls, including computerized information system controls and security, and
 - any related significant findings and recommendations of the independent auditor and internal audit together with management's responses thereto.
- Consider and review with management and the internal auditor:
 - any difficulties or disputes with management encountered in the course of his or her audits, including any restrictions on the scope of their work or access to required information, and
 - any changes required in planned scope of his or her audit plan.
- Oversee the functioning of the internal auditor and approve his work plans, review internal audit reports prepared by the internal auditor and confirm that it has sufficient tools and resources at its disposal, taking into account, among other things, the special requirements of the Company and its size. The Chairman of the Committee may instruct the internal auditor to perform special audits and shall review the internal auditor's reports of such audits.

D. Audit Oversight

- Examine the scope of work of the independent auditor, including the timing and procedures for the audit, and its pay, and bring such recommendations before the Board.

At the completion of the annual audit, the Committee shall review with management and the independent auditor the following:

- the Company's annual financial statements and related footnotes;
- the independent auditor's audit of the financial statements and its report thereon;
- any significant changes required in the independent auditor's audit plan;

- the effect or potential effect of any regulatory and accounting initiatives or off-balance sheet structures on the Company's financial statements;
- any correspondence with regulators or governmental agencies and any employee complaints or published reports that raise material issues regarding the Company's financial reporting process, accounting policies or internal audit function;
- any serious difficulties or disputes with management encountered during the course of the audit; and
- other matters related to the conduct of the audit that are required to be communicated to the Committee under generally accepted auditing standards.

The Committee shall also review and discuss with the independent auditor the report that the auditor is required to make to the Committee regarding:

- the Company's critical accounting policies, alternative treatments within IFRS for policies and practices related to material items that have been discussed among management and the independent auditor, including the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the registered public accounting firm, and any material written communications between the independent auditor and management (such as any management letters or schedules of unadjusted differences); and
- any significant changes to IFRS policies or standards.

Additionally, the Committee shall discuss with the independent auditor the matters required to be discussed by statement on Auditing Standards No. 1301 as modified or supplemented. The Committee will also obtain from the independent auditor assurance that it has complied with Section 10A of the Exchange Act.

E. Related Party Transactions

- Determine, on the basis of detailed reasons, whether to classify certain engagements or transactions as material or extraordinary as applicable and as such terms are used in the Israeli Companies Law, 1999 (the "Companies Law"), and therefore as requiring special approval under the Companies Law or whether such engagements or transactions (whether or not extraordinary) shall be subject to certain auction or similar procedures. The Committee may make such determination according to principles and guidelines predetermined on an annual basis;
- Decide whether to approve engagements or transactions that require Committee approval under the Companies Law; and
- Determine, as required under the Companies Law, how to approve certain engagements or transactions with controlling shareholders or in which controlling shareholders have a personal interest that the Committee deems as non-negligible. The Committee may make such determination according to principles and guidelines predetermined on an annual basis.

Any engagements or transactions that require the Committee's approval under the Companies Law shall be subject to the Company's approval procedure as described in the Company's Procedure for Identifying Related Party Transactions. In accordance with such procedure, the Committee shall appoint, from time to time, a person to be responsible for all of the data regarding transactions with related parties and for compliance with the procedure.

F. Public Financial Disclosures

The Committee shall review and discuss with management and with the independent auditor interim financial statements to be submitted on Form 6-K and earnings releases prior to their submission or issuance. The Committee will discuss financial information and earnings guidance provided to analysts and rating agencies.

The Committee shall review and discuss with management, before release, the audited financial statements, and the Operating and Financial Review and Prospects proposed to be included in the Corporation's Annual Report on Form 20-F.

G. Annual Review of Charter

The Committee will annually review the adequacy of this Charter and recommend to the Board any amendments or modifications to the Charter that the Committee deems appropriate.