



## // Anti-Bribery and Corruption Policy

### Introduction

1. As part of the values of the Company and the applicable laws governing anti-bribery and corruption, the Company's officers and employees are committed to conducting the affairs of the Company in an ethical and fair manner, while ensuring compliance with all the provisions of the laws that apply to the Company's business in general, and anti-bribery and corruption laws in particular.
2. Accordingly, the Company has **zero tolerance** for any unethical conduct of its officers, employees, business partners and anyone it engages with.
3. This policy prohibits the acceptance of bribes, whether intentional or unintentional. Acceptance or offer of gifts or anything of value must comply with the provisions of this policy.

### Purpose

As a company with global activity, we are committed to ensure that our business activity is performed according to the necessary standards and in accordance with the applicable laws and regulations, and to refrain from any possible corruption related risks to the extent possible.

The purpose of this policy is to help the officers and employees of the Company identify cases in which they must comply with anti-bribery and corruption provisions; as well as to refrain from any involvement in illegitimate transactions the heart of which is bribery and corruption; and to outline and define clear rules and guidelines for implementing the anti-bribery and corruption policy and, among other things, to establish an effective enforcement procedure that includes supervision, control and reporting to ensure constant compliance with the policy.

### Applicability

1. The provisions of this policy shall apply to the officers and employees of the Company.
2. This policy shall apply to any case of bribery and corruption and in cases of suspected bribery and corruption.

### Definitions

**"The Penal Law"** means the Penal Law, 5737-1977.

**"Business partner(s)"** means any person or company with whom the Company conducts business relations on a regular basis, including distributors, consultants, suppliers and independent contractors in Israel and abroad.

**"Bribe"** means the provision of any benefit to a public official for an action related to the position thereof, in order to influence said public official, or in order to receive any benefit, directly or indirectly, through intermediaries.

**"Public official"** is as defined in section 34 (sub-section 24) of the Penal Law, including an employee of a corporation that provides a service to the public.

**"Foreign public official"** means any of the following: (1) a foreign state employee and anyone who holds a public office or serves in a public office on behalf of the foreign state, including anyone who holds an office or serves in a position in the legislature, the executive or the judiciary branches of the foreign state, whether by election, appointment or agreement; (2) a public officer or anyone who holds a public office on behalf of a public body established by legislation of a foreign state, or on behalf of a body under the direct or indirect control of a foreign state; (3) an employee of an international public organization, and anyone who holds a public office or serves in a public position on behalf of such organization; for this purpose, **"International public organization"** – an organization founded by two or more states, or by organizations founded by two or more states.

**"Corruption"** means dishonest or criminal conduct of those in power, while using their power to obtain benefits, for example by accepting bribes.

**"Facilitation payments"** mean payments intended to ensure and/or expedite a certain action and/or avoidance from a certain action by a public official.

**"Public bodies"** mean the state, government authorities, municipalities, local councils, higher education institutions, state hospitals, HMO's, government companies, legislature, governing body, military body, legal body, political parties, public corporations (including government companies), government ministries, security forces (army, police, prison service, intelligence services), representative or agent of an international public organization.

**"Government officials"** mean officers in public bodies.

**"Improper advantage"** means a benefit that the Company, its employees, officers or business partners are not clearly entitled to, such as price benefits, offers, promotion or approval of products, tax benefits, and influence over a purchase decision or expedited permit approval.

**"Company"** including subsidiaries in Israel and abroad.

**"Employee"** means the Company's employees, including employees abroad.

## Person responsible for the Policy

The Company's CEO is the person responsible for the implementation of the provisions of this Policy. For companies held by the Company abroad, the person in charge will be the local CEO of the company abroad.

## Procedures and means for preventing bribery and corruption

### Identifying areas of risk:

Each employee and/or officer is in charge of identifying and reporting any suspicion of bribery and corruption.

### Internal control:

The Company's management will act to integrate preventive controls, which will include authorization restrictions, employee and business partners background checks, training, and termination of employment and acceptance interviews.

### Separation of duties, employee acceptance procedure and engaging with business partners:

Separation of duties between the various bodies responsible for the Company's activities (e.g., separation between those in charge of performance, confirmation and control) is designed to prevent the ability of one single body to perform any action and/or an extraordinary transaction that raises concerns of misappropriation or bribe from its inception to its completion, with no interference and/or control of others, as well as limiting powers and minimizing dependency on one body. Moreover, Company employees will not have permission in the extend that provides the employee with the ability and right to complete a whole "business circle" independently.

In addition, any employee who is hired by the Company, will sign a statement as part of their engagement in the employment agreement.

## Primary anti-bribery and corruption principles

1. It is absolutely prohibited to give any provision, grant, promise, offer of money, facilitation payments or anything of value to any public official, foreign public official or government official, with the intention of influencing such body or receiving some kind of benefit.
2. All officers and/or employees are responsible for identifying and reporting any suspicion of acts of bribery and corruption, including in connection with business partners. Because bribes are prohibited regardless of their amount, the Enforcement Commissioner must be notified of any potential cases of bribery and any suspicion of a violation of this policy must be reported.

## General provisions for officers and employees

1. To act honestly and transparently with the parties whom you come in contact with, in the course of providing services by you and/or in respect of any other matter concerning or arising from your engagement/interactions with such parties.
2. To act in accordance with the Company's policies and procedures in general, and this policy in particular, and in accordance with the provisions of the applicable laws, especially in regard to the prevention of acts of corruption, bribery, fraud, provision of benefits and/or any other prohibited activity and/or conduct.
3. To refrain from offering, promising or providing any benefits or favors, directly and/or indirectly.
4. To refrain from acting, directly and/or indirectly, in a way that may influence a public official, foreign public official or government official, based on unprofessional and/or uncommercial considerations, providing grants and/or loans, promises and/or favors, receiving services of any kind, both directly and indirectly.
5. To refrain from any activity that may appear as bribery.
6. To prevent those who engage with the Company from committing bribery by accepting offers that provide the Company with an improper advantage.
7. To strictly comply with the policy in regard to necessary approvals, financial reporting and record keeping.
8. To ensure compliance with all requirements for the management of financial controls and records in the Company, including its subsidiaries.
9. To immediately report to the Enforcement Commissioner of any suspicion arising in connection with bribery or corruption.

**Payments that require special caution**

The Company, its officers and employees must take special caution in the circumstances detailed below:

1. Gifts or donations provided to a public official and/or a foreign public official or business partner.
2. Political contributions.
3. Various payments for the purpose of facilitating the Company's activity.

Notwithstanding the above, it is clarified that small gifts or items of little value (meals, promotional products, reimbursement of travel expenses, etc.) shall not be considered improper, assuming they are reasonable. It must be verified that such gifts will not be considered to be provided for the purpose of improperly influencing any decision.

**Considering a benefit/gift:**

1. The benefit/gift was not made in cash.
2. The provision of the benefit/gift is compatible with customary business practices.
3. The benefit/gift is not disproportional, unreasonable or of exaggerated value.
4. In the eyes of a reasonable person, nothing about the circumstances, timing or manner in which a benefit/gift was provided, raises any concern that such may be interpreted as a bribe.
5. The provision of the benefit/gift does not contradict or violate any law, rule or regulation.
6. The benefit/gift cannot be considered inappropriate.

**Red flags**

Upon the engagement with advisers or representatives by employees, officers and business partners, now or in the future, they are obligated to notice red flags that may raise suspicion of a violation of the anti-bribery standards and laws. Red flags may be, for example:

1. A request or offer of money, benefits or anything out of the ordinary.
2. Request to transfer money in informal channels.
3. Refusee to enter into a contractual undertaking to comply with anti-bribery rules and laws.
4. Due diligence that raises suspicion of suspicious conduct in the past regarding anti-bribery.
5. Due diligence that raises suspicion of family or friend affinity between a third-party and government or public representatives that may unduly influence decision making.
6. Benefits in the form of travel, gifts or donations without approval as specified in the policy, financial reporting or documentation.
7. Making or approving any payment relief.
8. Providing false or inaccurate information about the necessary approvals or the financial statements.

**Policy updates and extraordinary events**

1. The person in charge of the policy will examine the need for an update of its provisions from time to time, while taking into consideration the changes in the law and regulatory guidelines and the Company's experience in the implementation of the provisions of the policy.
2. Officers and employees of the Company must immediately report any event that raises the suspicion of any bribery or corruption.