

Code of Ethics

Terminology

In this Code of Ethics:

<i>“The Code”</i>	The following Code of Ethics
<i>“Employee”</i>	Any person with a position in the Company, including officers, as defined in the Companies Law.
<i>“Confidential Information”</i>	Any information that is not in the public domain, related to the Company, to its business, to its business partners and information that is liable to assist the Company’s competitors or to adversely impact upon the Company and / or its business partners.
<i>“Business Partner”</i>	A customer, supplier, subcontractor, service provider, partner in an enterprise and any party associated with any entity within the Company within a business framework, related to the activities of the Company.
<i>“The Company”</i>	Afcon Holding Ltd. and any corporation and / or enterprise and / or activities under its control, whether formally registered or not formally registered.

*** That stipulated in this Code of Ethics in the masculine gender - pertains also to the feminine gender and vice versa.

Preface - General

The Company is obligated to run its business with integrity, reliability and fair-mindedness, while ensuring the safety of its Employees and strictly ensuring ethical conduct and adherence to the provisions of the law.

The content of this Code of Ethics below describes the policy of the Company vis-à-vis the ethical principles in effect in the Company, that every Employee in the Company is obliged to act in accordance with, as well as a mechanism for the effective implementation of the Code of Ethics.

The objective of the Code of Ethics is, first and foremost, to nurture high standards of value based and moral conduct, underpinned by integrity and social responsibility and to draw the attention of the Company’s Employees to the ethical risks in carrying out their jobs. The Company expects every Employee to adhere to high standards of ethical conduct and to remember that the good name of the Company is linked to the manner in which it conducts its business.

Compliance with the Provisions of the Law

1. Company policy is to uphold and obey the laws of the State of Israel and the laws of foreign countries and the international laws relating to the Company or to the conducting of its business in any country where it supplies its goods or services and, therefore, every Employee in the Company is obligated to obey the laws and the regulations applicable to the Company, and is not permitted to break any law in the name of the Company.

The Dignity of the Employee

2. Every Employee benefits from basic rights and is to be treated with dignity, equality and appreciation and to have his privacy respected.
3. Every Employee is entitled to freedom of thought, conscience, religion and expression of opinion, while ensuring to not infringe upon the feelings or rights of another Employee.
4. The Company grants every Employee and every candidate applying for a job at the Company an equal opportunity in all fields of endeavor, in appointments to positions and in professional advancement. Discrimination based on gender, age, race, ethnicity, religion, disabilities, sexual preference, marital status or political inclination is expressly prohibited.
5. All types of vulgar, aggressive or belligerent conduct towards other Employees in the Company, as well as towards the Company's vendors and customers, is to be avoided.
6. Aggressive conduct such as sexual harassment, physical antagonism and verbal abuse is expressly prohibited.
7. Each Employee will contribute the best of his efforts towards a positive and fertile work environment at the Company. Differences of opinion within the Company will be resolved in a courteous manner by means of a discussion and a true desire to settle the difference of opinion. Personal squabbles between Employees will be settled by means of an elucidating and clarifying discussion to be conducted by the direct superior (or direct superiors, should the Employees be from different departments) and in the case that the squabble is not resolved, the matter will be escalated to the CEO of Afcon Holding Ltd. for clarification. As long as he is employed by the Company, an Employee will not initiate legal proceedings against another Employee, the gist of which is a personal squabble, with the exception of cases related to the terms and conditions of employment, sexual harassment and physical antagonism.

Fiduciary Duty

8. Every Employee is to obey the instructions of his superiors and fulfill his duties faithfully to the best of his ability and to the full extent of his capacity.
9. The commitment of each Employee at the Company will be, first and foremost, to the Company, including the matter of fiduciary duty to the Company, acting in good faith and refraining from disciplinary infringements.
10. An Employee will not provide the business partners, the media or the public with incorrect information pertaining to the Company, to its technology, its products, the quality of its products, its development deadlines or delivery dates, nor any other business aspect, with the objective of deceiving or presenting a false narrative.

Fair-mindedness in Work

11. Every Employee will carry out his work in the best possible manner, strictly ensuring the quality of the work, meeting deadlines and providing ongoing reporting to his direct superior of any problem and / or malfunction and / or deviation detected during the course of his work.
12. An Employee will not do anything that can cause the Company damage, including, but not limited to: Divulging secrets; being employed at another place of work without the consent of the employer; being involved in a competing business in parallel to working at the Company and, as a rule, expending time and resources in any external business activity that detracts from the Employee's time and deflects his attention away from his ongoing work at the Company; submitting information pertaining to the Company to a competing business; removing information and documents pertaining to the Company from the Company premises without the express authorization of his managers.
13. The Company's computer and communications system may not be used for purposes of dispatching, retrieving, distributing, displaying, storing or printing information that has the capacity to deceive, harass, slander or threaten, or any information that can be construed as being an atrocity, racially charged, pornographic or material used for business purposes that are not the business objectives of the Company, or any other information that does not fall in line with lawful, professional and ethical conduct.

Fair-mindedness in Business

14. Giving or receiving a bribe is expressly prohibited. No payment may be given or received that is not legal, overt and ethical and all corrupt business practices are to be avoided.
15. No false or misleading information or information that brings competitors and their businesses into disrepute, vis-à-vis matters such as their financial stability and liquidity, the level of their skills, the quality of their products or their reliability. Refrain from the adverse use of commercial secrets or classified business information of the competitors.
16. Refrain from any activity that is likely to infringe upon fair competitive practices.
17. It is prohibited to make use of Confidential Information for insider trading on the stock exchange.
18. Business partners are to be treated fairly and equally.
19. Employees will act to the best of their business discretion and in the best possible manner vis-à-vis the Company and the Company's shareholders.
20. Employees will refrain from any activity which competes with the Company's business.
21. Employees will refrain from exploiting the Company's business opportunities for personal gain.
22. The Company's money is not to be used to support political activity of any kind whatsoever.

Protecting the Company's Property

23. Employees will make sure to protect and encourage the proper use of the Company's assets, and pursuant to the law.
24. All the Company's material assets, such as raw materials, computer and communications systems, manufacturing equipment, furniture and office equipment will be used solely for the advancement of the Company's business activities. Each Employee will make sure to protect the integrity and good working order of such assets, will not take and sustain the possession thereof, will not exploit such for personal use and will not hand over, sell or lend such to another person.
25. The Company and its Employees will take all the necessary steps to ensure the maximum protection of the Company's intellectual property, and will also refrain from infringing upon the intellectual property rights of other companies.

Conflicts of Interest

26. The Employees will refrain from any activity that is liable to generate a conflict of interests between the job of the Employee at the Company and the Employee's personal affairs. Examples of activities that are liable to be construed as generating a situation of conflict of interests are:
- 26.1 When taking decisions or carrying such out within the framework of work at the Company, only the good of the Company as a whole is to be taken into account.
- 26.2 Refrain from involvement in activities that are liable to interfere with or impair the relations of the Company with any person or company with whom the Company has, or is likely to have, a business or contractual relationship.
- 26.3 An Employee and / or his family will not receive benefits due to the Employee's job at the Company, with the exception of token benefits such as souvenirs, gifts, invitations to events, etc., as long as these benefits are lawful [token benefits are such that the total value thereof does not exceed \$150 per annum per each business partner (with the exception of business lunches)]. The receipt of a benefit by an Employee within the framework of his work at the Company is permitted as long as the receipt of the benefit does not have any ramifications vis-à-vis the giver of the benefit over others, and on the discretion on the part of the Employee in taking decisions regarding the giver. Under no circumstances may token benefits exceeding an amount of \$150 per annum be received from a business partner (with the exception of business lunches). In any case of the receipt of such a benefit, including a token benefit, the Employee must report the receipt of the benefit to his direct superior immediately after the event, and in the case that reporting the event to the direct superior is not possible due to a conflict of interests, the Employee must report the event to the Director of the Legal Dept.
- 26.4 An Employee will not accept any payment, in any shape, form or size whatsoever, for services carried out for the Company, from any source other than the Company.
- 26.5 Neither an Employee nor his family will accept gifts from a person or from a company when the objective of the gift is to affect the activities of the Employee, or if the receipt of the gift is liable to be construed as a conflict of interests.
- 26.6 Employees will refrain from the personal use of the Company's assets, manpower or information belonging to the Company, except if such is given as part of a reward program or reimbursement of expenses, which has been approved by the appropriate entities.

- 26.7 Employees will refrain from making use of insider information of the Company that is not known to the public for any purpose whatsoever, and in particular for trading in the Company's shares and securities. The use of insider information to conduct a transaction vis-à-vis the Company's securities, or in order to give someone else a "hot tip" and who is liable to use such to carry out a securities transaction, is not only not ethical, but is liable to be considered as being illegal.
27. Also in the case that the Employee is confronted with a situation of an apprehension of a conflict of interests (and not a conflict of interests that has actually occurred) between the affairs of the Company and the personal affairs of the Employee or the personal affairs of another Employee, the Employee is to inform a qualified entity forthwith, as described further on in the Code of Ethics, in the paragraph entitled "Reporting a Violation of the Code of Ethics".

Confidentiality

28. An Employees will maintain the confidentiality of the information to which he has been exposed, in the wake of his work at the Company, including, but not limited to, any Confidential Information regarding the Company, its business dealings, its business partners, and this besides the cases in which divulging the information has been sanctioned or is obligated by the Law.
29. A Company Employee will refrain from submitting Confidential Information or classified information vis-à-vis the Company and the use of such information unless the information is required for purposes of fulfilling his jobs. In any case, it is prohibited to transfer such information to another person, both during the course of the Employee's work at the Company as well as after leaving the Company. This prohibition also applies to the confidential information of other companies with which the Company has signed a contract in general and a Non Disclosure Agreement (NDA) in particular.
30. Financial data is considered Confidential Information, with the exception of cases under which the publication thereof has been approved, or such has been published with the authorization of the relevant qualified entities.

Reporting and Conduct of a Public Company

31. The reporting on the part of the Company will be effected in full, fairly and accurately and pursuant to the provisions of the Law.
32. Employees will respond to every question posed in order to extract information for purposes of preparing the financial statements and internal audit reports, and will cooperate responsibly and earnestly with the entities trusted with drawing up accounting audits and internal audits at the Company.

33. Delegating authority within the Company will be carried out in a lawful, proper and dogmatic manner, with the imposition of ongoing overseeing on the part of the delegator.
34. The business activities of the Company in conjunction with the officers of the Company, with a business partner which whom the officer has a personal relationship, with any of the controlling shareholders in the Company and with a business partner with whom one of the controlling shareholders in the Company has a personal relationship, will be carried out only if it falls in line with the good of the Company and the materialization of the business objectives and will be approved pursuant to the relevant provisions of any law.

Reporting a Violation of the Code of Ethics

35. An Employee who has been exposed to a violation of the Code of Ethics will approach his direct superior who is in charge of gathering all the reports of his subordinates regarding the violation of the Code of Ethics and submitting such to the Legal Dept. of the Company, for purposes of reviewing the complaint and a decision vis-à-vis the proper manner of handling it. The CEO of the Company and the Chairman of the Board of Directors will report the violation of the code to the Company's Audit Committee.
36. In the event that reporting to the direct superior is not possible due to a conflict of interests, the Employee will approach the Company's Legal Dept. directly.
37. All reports will be examined thoroughly and with sensitivity, while maintaining absolute confidentiality.
38. The Company, its Employees and its managers will not dismiss, suspend, threaten, harass, discriminate against, take revenge against or impose disciplinary measures of any kind whatsoever against an Employee who reported a violation of the Code of Ethics on the part of another Employee, but, however, the Company is liable to take disciplinary and other action against an Employee who knowingly reported a violation of the Code of Ethics falsely and not in good faith.
39. Should a complaint regarding a violation of the Code of Ethics be examined and found to be valid, disciplinary and / or legal action will be taken against the Employee who violated the Code of Ethics as the case may be, and pursuant to the circumstances of the matter.

Questions and Proposals for Changes

Questions, comments and proposals for changes regarding the Code of Ethics will be referred to the Director of the Legal Dept.

Applicability

40. This Code of Ethics applies to all the Employees of the Company and obligates each and every one of them from all aspects of their activities and employment at the Company.
41. This Code of Ethics has universal applicability and relates to the activities of the Company in all countries in which it supplies products and services. In the case of the Code of Ethics conflicting with a local or international law, the applicable paragraph will apply mutatis mutandis.

Changes

42. This document is likely to be altered from time to time and an up to date copy thereof will be uploaded to the Company website.

Summation - General

43. Each and every Company's Employee will uphold that stipulated in the Code of Ethics and will act in the spirit thereof.
44. Questions and clarification regarding the significance or applicability of any paragraph whatsoever in the document can be posed to the direct superior or to the Director of the Legal Dept.
45. Each Company's Manager will ensure that his subordinate workers are aware of the Code of Ethics, understand it and carry it out to the letter.