



Adgar Investments and Development Ltd. – Code of Ethics

1. General¹

Adgar Investments and Development Ltd. ("the Company"), is pleased to present the company's code of ethics in this document. The ethical code includes all the principles of ethical behavior to which the company and its employees are committed, and which we view as a supreme condition for our existence as a company that prides itself on the correct behavior of its employees. This system of rules, called the "code of ethics," formalizes standards intended to serve as a basis for the company's organizational and ideological culture, in accordance with which the company has functioned up to now. It is also intended to aid us in strengthening the connection of the company's workers with one another, by strengthening relationships based on trust, reliability and integrity, and in strengthening the connection between the company and its shareholders, its clients, and all who come in contact with it. We believe that this code of ethics will improve clarity in these topics, and contribute to the assimilation of these rules as part of the everyday experience of the company's employees.

2. Rules of behavior while at work

The company employees will dedicate the best of their time and energy during working hours to the good of company operations. Company employees will obey safety rules at work, and will perform their duties solely in accordance with their professional judgment, while demonstrating professional excellence and exercising discretion and responsibility. Company employees will maintain a presentable and appropriate appearance befitting their status and position, and will relate respectfully to their colleagues while working in cooperation with them. During working hours, company employees will act with honor, loyalty and integrity towards others, and avoid actions or declarations that might be offensive to any religion, community, race, gender or ethnic group, including via digital press and / or media and / or social networks.

3. Strictly upholding the directives of every law

Company employees are obligated to uphold all laws applicable to them and/or the company. Each worker must recognize that any illegal activity on his² part in company contexts may result in blame also falling on the company itself, or on other company employees or office holders. Employees are obligated to refrain completely from all any illegal activity, whether the infractions are major or minor, including violations of the law that may seem to the worker or manager to be "trivial" (such as: violations of intellectual property rights through Internet use or through use of any other company asset, technical delays in producing instantaneous reports, imprecise records in the

¹ See legal note in section 20 below.

² * For the sake of brevity this document uses singular masculine forms, but is intended for both genders and both numbers.

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corporation's books, and distribution of harmful content on social networks).

4. Disclosure of conflict of interest and avoidance of involvement in areas in which the employee has a personal interest

The directives of the Companies Law, 1999 ("the Companies Law") set the rules for handling cases in which there exists a conflict of interest (or potential conflict of interest) between a company office holder (as defined in the Companies Law) and the company itself. For employees who do not fall under the definition of the term "office holder," a similar rule in the Companies Law will apply, meaning: an obligation of immediate disclosure will be imposed on any worker who has a personal interest or foreign consideration in any company business or activity. It is incumbent upon any employee, as stated, who is not an "office holder" to disclose his personal interest, as mentioned, to his superior in the company. (In the case of an office holder, a report will be made to the Board of Directors.) In addition to the obligation of disclosure, each company employee who is authorized to make a decision regarding a company action or business deal, as a result of which he, or his family members or other close acquaintances, is likely to benefit, directly or indirectly, must refrain from making the decision on the action or business deal, and must present the matter for the decision of his superior, while detailing the benefit that he, or his family members or close acquaintances, is likely to derive from it.

Company workers and office holders must refrain from private commercial ties, even for purposes of home economic support, with business parties (excluding public service providers) with whom they are connected in the framework of their employment.

5. Prohibition on exploiting company business opportunities and on competing with the company

Regarding these topics, in addition, the company seeks to apply the norms, which are applied by the Companies Law to office holders, to the other company employees. In accordance with this decision, company employees must refrain from any action that involves competition with company business, and must refrain from exploiting any company business opportunity, with the aim of gaining benefit for the employee or for anyone else (including family members or other close acquaintances). It is also incumbent upon every employee to disclose to the company any item of information or document relating to company matters, which came into his possession through his position in the company. Employees who maintain business ties on behalf of the company with various service providers connected with the company will act without partiality, while taking great care to put the good of the company before any considerations of personal gain, in the context of these ties.

6. Prohibition on accepting or giving gifts

Company employees and office holders are not permitted to receive benefits from business parties with whom the company is connected, except for customary symbolic business gifts, which can, due to their low monetary value, be classified in the framework of public relations by the person who bestows the gift. It is prohibited to receive a gift, benefit or reward that exceeds these symbolic gifts. This is to prevent the creation, even unintentionally, of the appearance of any commitment by the employee towards the person offering the gift. Gifts given by the company to clients or other parties will only be presented by employees who are explicitly authorized for this purpose, who will ensure that the company protocols and limitations are obeyed regarding the type and value of the gift. This rule also mandates that company employees must refrain from any action or behavior that is likely to lead to the creation of an appearance of bribery or corruption.

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7. Abuse of status

Company employees who are managers or in charge of other employees must not exploit their position to abuse those who are subordinate to them, in any personal matter not connected to work. They must refrain from accepting any benefits from those subordinate to them (such as: financial guarantees, loans, etc.). In addition, company employees must not exploit their position in the company for advancing any personal interests, of their own or of someone acting on their behalf, and they must not use the company name or their position in the company for any activity (private or public) other than their work at the company.

8. Accuracy and transparency

Company employees are obligated to uphold the highest standards in the management of company records, in order to ensure that the information that the company uses for its internal purposes, and for external reports, is reliable and accurate. This is to ensure that decisions made by the company, its employees, investors and creditors, will be based on completely objective facts. Company reports to the various authorities and to investors must be accurate, detailed and reliable, and must meet all requirements of transparency, according to every law.

9. Confidentiality

Company employees and office holders are obligated to safeguard the company's business and commercial secrets. Company employees are required to make careful and proper use of the various types of information in their possession, and to maintain the confidentiality of the company's information. The employees must take precautions in order to protect company secrets, including the information entrusted to them. Such information must not be revealed to anyone, whether within the company or externally, except as required by the company itself for its business purposes. The business and commercial secrets include, among other things, all company documents, information about clients and various parties with whom the company has dealings, and business and strategic plans. Company employees must take care not to publish or give any information regarding the company to any media elements. All contact with the media must be arranged exclusively through the public relations division of the company.

10. Protection of company property

Company employees and office holders should do to the best of their ability to protect company property and to ensure its proper use for the purposes of the company's business activity only. They are ordered to protect company property from damage, abuse, theft or embezzlement. This also applies to tangible and intangible property, including trademarks, professional knowledge, secret information and information systems. It is incumbent upon company employees to use company property only for company purposes and requirements, and its use for personal needs is completely prohibited. However, the employee is permitted to use the company vehicle or mobile phone that has been allocated to him, for private purposes also, to a reasonable extent. Company employees and office holders must take care of the property in their possession and maintain it under appropriate conditions, and must treat it with appropriate carefulness, prudence and efficiency.

11. Work Relations

The company will take care to treat its employees properly and provide them with fair compensation and a pleasant and safe work environment – free of discrimination, sexual harassment and violence of any sort – in which company employees will be given every opportunity for

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personal and professional development. The company will take steps to ensure that similar conditions are provided also to workers at the company who are employed through a subcontractor. Employees must obey the work orders of their superiors (subject to the directives of all laws and the directives of this code), whether in the context of behavior, work methods or work priorities. Managers must refrain from giving orders to employees who are not directly subordinate to them, and must refer requests regarding such employees to the manager who is in charge of them. Employees and managers must not make any commitment or take any position on behalf of the company towards an external party, except in accordance with the permissions and signatory rights of the company.

12. Company clients

The company undertakes to meet the strictest requirements in the context of its relationship with its clients, to behave towards them with politeness, efficiency and transparency, and to be attentive to consumer requests, suggestions and complaints. Employees who deal directly with the public must behave with good manners and respect, without partiality, while endeavoring to serve the relevant public in the best and most pleasant manner.

13. Consultation

Every company employee and office holder must consult with his superiors or with another professional employee at the company regarding any subject, if he has any doubt as to the proper way that he should act in order to fulfill his duties at the company.

14. Essential information requiring disclosure

It is incumbent upon each company employee and office holder to bring to the attention of his superior any information that comes into his possession that affects, or might affect, any public reports that obligate the company.

15. Trading in company stock while using inside information

It is prohibited for company employees to purchase or sell its stock, or the stock of companies connected with it (parent companies, subsidiaries, sister companies, etc.) while exploiting inside information.

16. Report of violations of directives

Company workers must report to the company secretary in charge of the code of ethics, as stated in section 20 below, if there is, in their opinion, a suspicion about violations of the directives of any law or the directives of the ethical code, on the part of any company employee or office holder, including any matter involving fraud in which a company employee or office holder is involved, whether the fraud is material or not, and whether it is in the area of finance, accounting, reporting, or any other area. The company will handle reports, as stated, with the utmost secrecy, while protecting the employee/office holder who made the report from any retribution or harm, as required by law. On the other hand, it should be made clear that any person who knowingly makes a false report (for instance, with the aim of harming another employee) will be subject to severe, significant sanctions on the part of the company.

In exceptional cases, reports regarding embezzlement or fraud carried out against the company by employees, managers, suppliers, clients or other parties can also be made to the company anonymously, by mail, to the office holder in charge of the code of ethics, the company secretary. By its nature, an anonymous report is difficult for the company to deal with, and sometimes is

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impossible to handle satisfactorily. This is because an anonymous report cannot be related to in the same manner as a regular report. Therefore, an anonymous report will only be accepted in appropriate cases; other relevant documents or evidence must be attached to the report, to make it possible to check the truth of the report as necessary.

17. Office holder in charge of the code of ethics – Attorney Udi Efron ³

The company directorate has established that the office holder in charge of operation and implementation of the code of ethics will be the company secretary, **Attorney Udi Efron**. The office holder in charge will provide company personnel with guidance, instruction, explanations and advice regarding all matters related to proper behavior in accordance with the rules of the code of ethics.

18. Violation of the rules of the code of ethics are considered a disciplinary violation

With the adoption of the code of ethics at the company, any violation of the code will be considered a disciplinary violation. (This is without limiting any other consequences of the violation, civil as well as criminal, when the matter involves a legal violation.)

19. Environmental Protection

The company will act with environmental awareness and concern, and will take environmental considerations and the need to protect the environment for ourselves and for future generations into account in its decision-making processes. The company will act to increase awareness of environmental protection, among its employees, suppliers, clients, and all who come in contact with it.

20. Legal Note

It must be emphasized that these rules in no way replace the laws of the state or any other laws that apply to the company or any of its employees or office holders. These rules in no way detract from the directives of any law, nor do they provide an authorized interpretation of any law. Nevertheless, within the internal company framework, these rules represent an inseparable part of the company's disciplinary rules, which apply to all its employees. Therefore, an employee found to be in violation of these rules will be considered as having violated company discipline and the company will take steps against him in response to this violation as it sees fit, subject, of course, to the directives of any law.

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