



The Ethical Code of ElsMed

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Introduction from the president

ElsMed through its various companies has developed to be a worldwide leading provider of medical turn-key projects, and a major supplier of refurbished and new medical equipment with extensive experience. ElsMed's goal is to be a growing, profitable group of companies. With more than 20 years of extensive experience, ElsMed continues to lead the way in the healthcare community for the most cost-effective medical services projects worldwide.

As a business organization with employees that order equipment and services from several business elements, ElsMed has always managed its business and activity with integrity, and with ethical responsibility towards its employees, suppliers, customers, competitors and the community.

Business development and events in Israel and elsewhere, require constant review and update of the rules of the ethical code, in all the aspects of activity.

The ethical code stresses ElsMed's commitment to high business standards, and clarifies what is expected of its managers and staff. The ethical code commands ElsMed, as a business organization, to make every effort to conduct itself with honesty, to respect individuals, to take responsibility for those who choose to work with us, to be fair in our relations with others and to take care of the people who depend on us and act as model citizens.

The process of assimilating the ethical code is an important element in the formation of an organizational culture that combines moral technical and business excellence.

ElsMed's managers and staff, in their actions and decisions, are required to strengthen awareness of the ethical code and to implement all the values and rules of conduct deriving from the code.

Strict observance of the ethical code alongside compliance with laws and regulations will deepen the sense of pride and belonging in ElsMed, as well as contributing to its strength and business success in a difficult competitive environment, and helping to maintain ElsMed's good name.

Ronen Bechor
President

The ElsMed Ethical Code

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1. Declaration of Intent

ElsMed has taken on the responsibility of following rules of ethical behavior on a regular basis.

ElsMed's ethical code is the moral and normative identity document for activity in the company, with the aim of raising ethical standards, including aspects of responsibility, reliability, honesty, professionalism and sensitivity to the question of how things may appear. The ethical code also expresses ElsMed's commitment to its employees. To maintain respect for individuals, in particular their life and health, maintain the quality of the environment, and commitment to customers, suppliers, and the community.

The ethical code, as expressed in the rules defined in this document, includes values, standards, distinctions, and binding rules of conduct. It distinguishes between what is proper/permitted, and what is improper/not permitted in all areas of activity.

The chapters of the ethical code include benefits in kind and conflict of interests, marketing, sales and customers, relations with suppliers and competitors, protecting property and rules for the working environment.

ElsMed's managers and staff are required to act and make decisions based on the company's purpose and vision, values, goals and objectives, and according to the ethical code. All ElsMed managers and staff are responsible for using their best professional and business judgment when acting and making decisions and are expected to place the good of ElsMed over the good of their own division or unit, and to encourage cross-divisional cooperation.

ElsMed complies with all laws and regulations applying to it, including the rules of good management. The rules of ElsMed's ethical code are based, inter alia, on the requirements of laws, regulations, directives, norms and international rules of conduct.

The ethical code is binding on every manager and member of staff in ElsMed.

ElsMed has a comprehensive set of procedures to regulate its activities in various areas and it is careful to observe them.

This ethical code is for the benefit of ElsMed, and no other person or entity may enforce it. The code is not and must not be perceived as creating private reasons for action or a remedy for any person or other entity against those who breach the code. In addition, this code must not be interpreted as an employment contract, and does not change anyone's employment status.

The following ethical code is a collection of rules and instructions relating to various aspects of organizational activity. The code is intended to serve as a basic declaration

of principles and standards, and does not include specific instructions. In every case, the code must be examined in the framework of policies, customs, and the binding provisions and demands of laws and procedures. In addition, the absence of a specific policy or corporate directive covering a particular case does not negate the obligation for ethical conduct in those circumstances.

2. Vision, purpose, goals and objectives of ElsMed

2.1 ElsMed's vision and purpose

- To be a world leading provider of medical turn-key projects, a supplier of the latest and most advanced medical devices, and bring solutions to populations around the globe. We are aiming to capture and maintain a leading market position in our business and to achieve sustainable, profitable, growth. Thus, continually increase our company value.

2.2 ElsMed's goals and objectives

- To serve as a leading supplier of affordable healthcare systems, and state-of-the-art medical infrastructure solutions that supports mankind to enjoy healthier and longer lives, and contribute to the global efforts to prevent illness through early diagnosis.
- To develop and nurture ElsMed's human resources as a central, leading value, in order to serve as a magnet and provide a unique professional challenge for individuals who excel in the company's various fields of activity.
- To focus on areas where we are leaders, and to strive to be leaders in every area that we choose to engage in.
- To grow as a business and ensure economic profit margins.
- To maintain a network of contacts with the company's customers and suppliers, putting the customer at the center of ElsMed's response and support systems.

2.3 The values by which ElsMed operates

Daring, responsible and professional excellence

We will create an organizational environment that supports daring yet responsible and professional excellence. Making full use of the talents of individuals and groups at all levels and fields of activity within the organization – engineering, organizational and business.

We're committed to acting responsibly in everything we do. For our business partners, we're a reliable partner. For the societies in which we do business, we're a good corporate citizen. For our employees, we're an attractive, long-term employer. Not only do we act in accordance with the highest professional and ethical standards; we also demand that our business partners, suppliers and other stakeholders meet these standards as well.

We will encourage employees to enhance their professional level and broaden and excel in their fields of specialization, to provide a basis for growth and daring, while reducing risk levels.

We will be understanding about mistakes that derive from risk taking, as an important part of the learning process, while drawing conclusions in an open, focused way and applying the lessons wisely and with courage.

Commitment to Business partners

Loyalty and commitment to business partners will be a central component. It will be expressed by striving to provide our customers with maximum value in solutions, products and service, while following rules to protect ElsMed's core property and economic strength.

We will work at building a long-term relationship with our business partners based on trust, integrity, mutual respect and understanding of their needs.

Commitment to employees

We will seek to foster a set of values and a working environment that will give each company employee a feeling of belonging. To allow him to make full use of his abilities, to feel satisfaction and pleasure in his work, and pride at being part of the ElsMed.

We will base the mutual commitment system between ElsMed and its employees on trust, openness, integrity and striving for achievements, with a shared desire for stability and long-term relationships.

Determination and striving to achieve objectives

We will encourage perseverance, determination, and an uncompromising striving to meet challenging goals, in all aspects of company activity, while being strict about professional ethics, wise management of resources, and working as a team to achieve broad aims.

One ElsMed

Teamwork at all Group's companies and corporate levels, including close cooperation between divisions, is the basis for achieving ElsMed's main goals.

We will maintain openness and transparency between divisions and foster a spirit of shared responsibility at all levels.

We will maintain consistent standards and symbols, to serve as one organizational identity, expressing shared responsibility, modesty, quality and esthetics, without affecting the centrality of the individual employee and his pride in the unit to which he belongs.

3. Summary of the Ethical Code

3.1 Benefits in kind, gifts and conflict of interests

ElsMed will conduct its business in a responsible and fair manner. All its actions will comply with the law and the rules of proper business behavior in Israel and overseas. All ElsMed employees are required to act with integrity, reliability, and fairness, including anyone connected to the Group's companies--its customers and suppliers.

ElsMed employees, officers, agents and other third-party that act on behalf of the Company are forbidden to give gifts of any kind whatsoever to government officials and political activists, in Israel and worldwide, with the aim of influencing them or promoting ElsMed's business.

ElsMed prohibits accepting or giving gifts or benefits in kind (gifts, benefits, bonuses, payments) that directly or indirectly involve or even seem to involve an attempt to obtain something in return, so that no employee will find himself in a situation where his professional judgment could be affected, leading to improper decisions.

In many cultures, gifts and invitations to entertainment events are important for developing and deepening business relationships. However, some gifts and invitations may unreasonably influence the recipient's decision-making or create the appearance of improper influence. Gifts, hospitality and other benefits must always be in accordance with applicable laws and regulations.

For the good of ElsMed, its employees are required to avoid situations or actions that could create a conflict of interests between ElsMed's benefit and their personal benefit.

ElsMed forbids its employees to make use of insider information for personal advantage.

3.2 Marketing, sales and customers

ElsMed will comply fully with the laws of the State of Israel, the OECD Treaty, FCPA and the laws of the various countries in which it operates, on all aspects of preventing bribery of foreign authorities. Due to its desire to manage its business worldwide in an ethical, honest, and moral fashion.

ElsMed will handle its contacts with customers and business partners by means of qualified employees, with fairness, transparency, honesty, and trust.

ElsMed's advertising will be accurate and reliable.

ElsMed's participation in tenders will be fair and according to accepted rules of conduct.

ElsMed's price quotes will be fair.

ElsMed will conduct negotiations in a suitable, trustworthy, and fair manner. ElsMed will be meticulous about accurate wording of its contracts and offers, and is careful to comply with the promises contained in these contracts and offers.

In all its dealings with elements overseas, ElsMed will be careful to respect the laws and customs of the country where the contact takes place, on condition that they do not conflict with the laws of the State of Israel.

3.3 Relations with suppliers and competitors

The process of making decisions regarding procurement, sales and contact with suppliers will comply with the applicable law, ElsMed procedures and the rules of integrity.

ElsMed will manage its activities and business with respect to competitors and business partners in a direct and honest way, to preserve the rights of all parties. ElsMed will make use of legal means to promote its services, collect competitive information, and for any other purpose.

3.4 Protecting property

ElsMed property will be used by its employees exclusively for ElsMed's purposes.

ElsMed employees will be meticulous about the proper use of computers and the information on them to avoid situations that could pose security and business risks for ElsMed, and unknowingly harming individual rights or third-party rights.

ElsMed will require its employees to be cautious when using and saving its own information and intellectual property and that of others, and to follow the procedures and guidelines on this subject.

ElsMed will be meticulous about proper use of the property of customers and suppliers.

3.5 Concern for the work environment

ElsMed will maintain a healthy, safe, creative, and productive work environment, free of fear or harassment.

ElsMed will hire employees based on their skills, education, and suitability to requirements, without discrimination or preference and for a suitable salary.

Employee promotion, assessment and compensation will be determined by line managers based on their achievements, without bias, discrimination, or prejudice/Managers and staff will operate within their sphere of responsibility and authority only, and their decisions will be based on their best professional and business judgment and in the best way possible for ElsMed.

ElsMed will be strict about protecting the privacy of its employees and anyone who has business contacts with it.

ElsMed will be meticulous about giving reliable and accurate reports according to the rules and principles of the ethical code.

ElsMed will act to prevent use of its employees, its facilities, and its image for political purposes in Israel and overseas, or exploitation of its companies and their status and image for purposes of political gain.

4. Implementing and reviewing the ethical code

4.1 General

The ethical code describes ElsMed approach to proper conduct and the processes and actions used to implement this approach in ElsMed companies' daily activity. For that purpose, ElsMed adopts a series of steps to implement the rules of the ethical code.

4.2 Issues and advice

Issues: an employee who encounters an issue with ethical aspects should first of all contact his immediate superiors, if necessary, Mrs. Avital Zack, CFO, Email: avital@elsmed.com, and if necessary, Ms. Nadav Bahri, the COO, email: Nadav@elsmed.com. For the general mail or telephone refer to the website (<https://www.elsmed-healthcare.com/>).

Advice for employees will enable any employee who has doubts about a matter relating to the ethical code, to obtain suitable advice.

4.3 Employee's Guide

ElsMed delivers a Guide whose purpose is to clarify the subject of the ethical code and give examples of dos and don'ts.

The Guide explains the important subjects, the company's requirements and expectations on each matter, and the reasons for the instructions.

4.4 Dealing with deviations/complaints

- An employee who identifies a deviation from the ethical code should contact the Company's CFO or the COO as stated in section 4.2.
- The confidentiality of an employee who makes a complaint must be maintained.
- ElsMed will not tolerate any negative effects for employees who complain about deviations from the ethical code.
- If any unethical or unlawful conduct is discovered in ElsMed, it will be investigated and actions taken to remedy the fault and prevent its recurrence, including disciplinary measures, publishing the circumstances of the event, making any changes required in the ethical code and the implementation process.

4.5 Responsibility

The COO is responsible for implementation and assimilation of the ethical code rules in the ElsMed's companies, and for handling inquiries on this subject.

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1. Benefits in kind, gifts and conflict of interest

1.1. General

ElsMed will conduct its business in a responsible and fair manner, so that all its activities comply with the law and the rules of proper business conduct. All ElsMed employees will be required to conduct themselves with integrity, reliability, and fairness, in their dealings with others, including customers and suppliers.

The ethical code expresses the criteria and rules that are important to ElsMed.

In any case of doubt, employees should consult their direct managers for instructions/clarifications.

1.2. Integrity

- a. In all its companies and facilities, ElsMed will be strict about its employees, representatives and suppliers observing ethical conduct based on moral criteria, dignified representation, and universal norms in their dealings with the company.
- b. ElsMed attaches great importance to integrity in its actions: including the prevention of corruption, public corruption, bribery, bias, unfair dealing and competition, arbitrary preference, conflict of interest and irrelevant considerations.
- c. Any suspicion that a ElsMed employee/ representative has not acted with integrity in the performance of his duties could require investigation by the relevant entities and reporting to the appropriate authorities depending on the matter and the circumstances.
- d. ElsMed will encourage its employees to report any suspicion of an offense against integrity and will lawfully protect those who report such suspicions.
- e. The COO or a delegate will be the address for complaints from the public and will investigate the complaint and make recommendations for any remedial action.

1.3 Prohibition against receiving benefits in kind and gifts

- a. ElsMed will ensure that all its employees, managers, and representatives in Israel and worldwide conduct themselves with integrity, trustworthiness, and fairness and in accordance with the rules of the ethical code.
- b. ElsMed prohibits accepting or giving gifts or benefits in kind (gifts, benefits, bonuses, payments) that directly or indirectly involve or even seem to involve an attempt to obtain something in return, so that no employee will find himself in a situation where his professional judgment could be affected, leading to improper decisions.
- c. Company policy prohibits all ElsMed employees, officers, agents and other third-party that act on behalf of the Company to give gifts of any kind whatsoever to officials of foreign governments, political activists and/or anyone connected to them, to influence or promote ElsMed's business.
- d. In many cultures, gifts and invitations to entertainment events are important for developing and deepening business relationships. However, some gifts and invitations may unreasonably influence the recipient's decision-making or create the appearance of improper influence. Gifts, hospitality and other benefits must always be in accordance with applicable laws and regulations.
- e. ElsMed will prohibit its employees from making arrangements with outside elements with which they have a direct business connection in order to purchase products/ services for private needs, unless this is approved by the employee's managers.

1.4. Conflict of interests

- a. ElsMed will demand that its employees perform their tasks honestly and fairly and avoid situations or actions that could create a conflict of interest between ElsMed's benefit and the benefit of the employee or his relatives, friends, or with competitors and other outside elements linked to them and which have interests that conflict with those of ElsMed. Employees are responsible for avoiding such situations.
- b. ElsMed will demand that its employees avoid cash investments, or any other business activity that could create a conflict of interests.
- c. ElsMed will demand that its employees avoid being linked to, influencing, or trying to influence, a transaction where they could have a personal interest or a benefit in kind from the other party to the transaction and which could thereby harm ElsMed's interests.
- d. ElsMed will forbid its employees from engaging in any private business or occupational activity with a business organization in competition with the company, or with any customer or supplier of the company, if such activity could create a conflict of interest with the employee's work in ElsMed.

- e. No ElsMed employee shall receive payment in any form whatsoever for services performed for ElsMed from any source except ElsMed.
- f. In any case of doubt, the employee should raise the issue with his manager or above.

1.5. Use of inside information for personal benefit

- a. ElsMed prohibits its employees from using inside information (information that is not in the public domain) for purposes of trading in shares of companies that are connected or in the process of making connections with ElsMed or for any other purpose that could give the employee economic or personal advantage.
- b. ElsMed prohibits its employees from transferring information that is not in the public domain and that has reached them in the framework of their work in the ElsMed.
- c. Classified information (business or security) or other information can be transferred to those who are authorized to receive such information.
- d. ElsMed asks its employees to inform their direct managers if they invest or hold shares or have control of a shareholding in a competing company/organization, linked company, supplier, or customer of ElsMed, and this investment or holding or control of shares could affect or appear to affect such employees' ability to carry out their duties impartially.
- e. ElsMed will be strict about enforcing proper use by its employees of information from foreign elements that reaches them in the framework of their work and prohibits the use of such information for personal advantage.

2. Marketing, sales and customers

2.1. General

The customer is a central asset for ElsMed and it is vital to keep customers happy.

ElsMed provides its customers with services and equipment based on advanced technology, while maintaining quality and reliability.

ElsMed manages its contacts with customers and business partners through its authorized employees, with integrity, honesty and trust, and does not accept dishonest conduct or conduct that could be interpreted as dishonest by its employees.

ElsMed is meticulous about transparency and providing full and honest

information to its customers on the use of ElsMed products and services.

ElsMed will enter into agreements with customers and business partners based on the provisions of the international Convention against Corruption, in view of its wish to conduct its business worldwide ethically, honestly, and morally, and to be fully compliant with the laws of the State of Israel, the OECD convention and the laws of the various countries where it operates.

2.2. Publications

- a. ElsMed's business publications will present the ElsMed, its capabilities and services to potential customers. The publications will support the marketing effort by highlighting ElsMed's technological, managerial, and organizational abilities and its extensive and varied experience.
- b. ElsMed's publications and services will be accurate, reliable, credible and in line with company policy.

2.3. Participation in tenders

- a. ElsMed will participate in tenders based on the specified rules, the laws of the country where the tender is issued, accepted international norms relating to tenders, and according to the specific requirements of the tender issuers at all stages of preparing and submitting the response to the tender.
- b. ElsMed expects to win tenders based on its advantages and qualities compared to the competition and by making them clear to customers, without attempting to prejudice the results.
- c. ElsMed requires any employees involved in responding to tenders to be thoroughly familiar with the special laws of the country where the tender is published and the special rules defined for each particular tender, to avoid deviating from local ethical rules and the laws of the State of Israel.

2.5. Managing negotiations

- a. ElsMed will ensure that in the negotiating process, its employees/representatives act properly, reliably present the company's advantages, and conduct themselves with honesty and integrity.
- b. The transaction leader will make no undertakings to the customer, even verbally, regarding extras and enhancements that are not defined and included in the price quote or the contract and will follow the instructions given for the negotiations.

2.6. Signing contracts

- a. ElsMed will be meticulous about frankness and accuracy in the wording of contractual terms and will make sure that it can comply with all the terms.
- b. ElsMed will ensure that the final text of the contract to be signed following negotiations with a customer accurately specifies all the business, legal, technical, and financial terms.
- c. In its contracts with customers, ElsMed will not include any clauses that are contrary to the law or trade restrictions and will seek to obtain all required permits and licenses, so that the contract can be executed in the framework of the applicable law.
- d. ElsMed procedures ensure that only authorized signatories defined in the company's procedures, or their legally appointed proxies may sign contracts on behalf of the relevant ElsMed's company.
- e. ElsMed will take steps to ensure that its obligations and rights pursuant to contracts are fully exercised.

2.7. Trade restrictions

- a. ElsMed is a law-abiding organization, which complies with all relevant legal provisions. Reflecting this principle, it is ElsMed policy in its routine business activity to strictly follow the provisions of the trade restrictions laws, as expressed in the Restrictive Business Practices Act, 5748-1988 and in legal rulings.
- b. As a rule, trade restrictions laws prohibit actions that could affect competition. In addition to the general ban, there is a whole range of permits, some general and some requiring approval or exemption from the relevant restriction's authority. The Company's legal counsel is responsible, inter alia, for dealing with any issues relating to the provisions of the law.
- c. Each employee is responsible for reading ElsMed's Guide on the ethical code and for confirming in writing that he has understood it and that he undertakes to act in accordance with its instructions.
- d. A breach of the trade restrictions law could have serious consequences – criminal and civil liability, both for the company and the individuals involved. Every employee must be thoroughly familiar with the provisions of the Guide and act accordingly. The company will take any breach of these instructions very seriously and use any suitable means, including disciplinary means, against those who breach them.

2.8. Customer service

- a. ElsMed will ensure that its customer service is professionally and commercially fair and in line with its contractual obligations.
- b. ElsMed will strive to solve any problems that arise after products are delivered, operated, and maintained, and in accordance with feedback received from customers.

2.9. Relations with overseas elements

- a. In all its contacts with overseas elements (customers, suppliers, government authorities, institutions), ElsMed will be meticulous about respecting the laws and customs of the country involved, will comply with all local import, and export laws and meet all the accepted standards, laws, and treaties, on terms that do not conflict with the laws of the State of Israel.
- b. Every ElsMed employee who has business contacts with public authorities is responsible for being familiar with the laws, rules, and special requirements for business arrangements with public authorities overseas, to avoid situations of acting contrary to local law or breaching the ethical rules of the relevant country.
- c. ElsMed employees will be given guidance on suitable conduct during business travel overseas (meetings with customers, suppliers, conferences, presentations etc.), on complying with the local laws and avoiding any actions that are or appear to be contrary to local customs, religious and/or special values, or that could damage the interests of Israel and ElsMed.

3. Relations with suppliers and competitors

3.1. General

In order to provide high quality services/equipment at competitive prices, ElsMed puts the emphasis on purchasing quality products/ equipment/ services from its suppliers on the basis of quality, timetable and price.

The process of making decisions regarding procurement, sales and contact with suppliers will be in accordance with the law and ElsMed procedures.

3.2. Relations with suppliers

- a. A significant portion of ElsMed's activity is carried out by external suppliers in Israel and overseas, subject to all applicable laws.
- c. ElsMed will ensure that its suppliers are selected – whether or not in a competitive process, subject to any applicable law – in a fair way on the basis of reasonable and relevant criteria.
- d. ElsMed will ensure that suppliers know in advance exactly what is expected of them, with full definitions in the procurement documents of the scope of work, its quality and timetable for supply.
- e. In its contracts with suppliers, ElsMed will not include any clauses that contradict the law and will comply with the restrictions of any permits granted for licenses when making purchases.
- f. ElsMed expects its suppliers to comply with the law and accepted ethical rules.

3.3. Relations with competitors

- a. ElsMed is involved in a wide range of activities and has many competitors worldwide. ElsMed assesses itself as a leader in some fields and is careful not to smear its competitors and other companies.
- b. ElsMed will manage its activities and business in a fair and honest way, while preserving the rights of other parties.
- c. ElsMed employees, suppliers and representatives will be instructed not to obtain or try to obtain information about competitors in unlawful ways.
- d. ElsMed will encourage open and fair partnerships, subject to the provisions of the law, including laws on trade restrictions, and does not create secret partnerships with competitors, which could involve misleading customers.

4. Protecting property

4.1. General

- a. ElsMed invests a great deal of effort and is very careful to protect its property against improper use, including use for purposes other than those of ElsMed.
- b. ElsMed's property is used by its employees solely for the purposes of ElsMed. The company bans the use of its property for purposes of personal gain or benefit, or activities not related to ElsMed, even after working hours.

4.2. Use of computer systems

- a. ElsMed will be meticulous about proper use of computers to prevent situations that are dangerous to ElsMed's business and unwitting damage to individual or third-party rights.
- b. ElsMed will demand that company computers are used for company purposes only, including software that has been approved by the proper authorities and legally purchased or obtained, according to the terms of purchase/receipt and to prevent the introduction of files with improper content.
- d. ElsMed will ask its employees to be strict about proper and intelligent use of the Internet, telephone, and fax for the company's purposes only, except in unusual and/or essential cases in a way that will not allow leaks of business information or unauthorized penetration of the ElsMed network. Employees must ensure that their use of the system is not causing any damage to ElsMed or to its image, customers, partners, suppliers or any other person or organization associated with it.
- e. ElsMed maintains an information security system to prevent leaks and protect individual privacy.

4.3. Intellectual property

- a. ElsMed accumulates intellectual property which expresses the knowledge and information that the company has acquired in technical, engineering, commercial, administrative, and other fields.

- b. ElsMed will be strict about instructing its employees to protect its intellectual property and its rights regarding developments and inventions by its employees in the framework of their work, including by means of registering patents, trademarks, and other means, in Israel and in other countries, at ElsMed's discretion and subject to the law.
- c. ElsMed will demand from its employees to be cautious in their use of information and its exposure to elements outside ElsMed.
- d. ElsMed will be meticulous about the proper security of hardware and software components in order to ensure that its business classified databases (for business reasons) are isolated and secured against leaks to unauthorized elements and prohibits the transfer of information to unauthorized employees and/or elements outside the ElsMed.
- e. ElsMed will respect the copyright of others.

4.4. Property of customers and suppliers

ElsMed is meticulous about treating the property of its customers and suppliers just as it treats its own property. ElsMed ensures that such property is handled in a responsible way, according to the purposes and uses agreed with the customers and suppliers, while securing business information.

5. Working environment

5.1. General

- a. ElsMed will strive to maintain a healthy, safe, creative, and productive work environment, free of discrimination and harassment.
- b. ElsMed will not tolerate actions, comments or defamation based on race, religion, ethnic group or sexuality, or discrimination based on physical disability and any other comment or behavior in the workplace that creates, encourages, or imposes a hostile, threatening, violent or improper atmosphere, and will be strict about preventing harm to individual dignity and freedom.
- c. ElsMed will encourage excellence and the improvement of professional ability, honesty, teamwork, mutual respect, and open communication between employees. ElsMed expects its employees to act honestly, responsibly, accurately, fairly, professionally, with dedication, perseverance, and loyalty to the company

- e. ElsMed will prohibit sexual harassment and acts in accordance with the legislation on this matter, refer to the regulations on the Prevention of Sexual Harassment.
- f. ElsMed will secure the rights of, support, compensate and value the activity of its employees who are serving in the army reserves.

5.2. Employment

- a. ElsMed will hire employees based on their skills, education, and suitability to requirements and without discrimination, for commensurate pay.
- b. ElsMed will employ no workers under the age of 15 or, in those countries subject to the developing country exception of the ILO Convention 138, employ no workers under the age of 14. Employ no workers under the age of 18 for hazardous work according to ILO Convention 182.
- c. ElsMed's support freedom of occupation and worker mobility between units, based on ElsMed's needs and the employee's abilities.
- d. Promotion, assessment, and compensation of employees are determined by managers based on the employees' achievements and ElsMed's policy.
- e. Employment of family members is controlled and follows clear rules, including reporting to executive managements. No family members will be employed in positions involving direct or indirect subordination or where the family relationship could arouse suspicion of a conflict of interests. Exceptional cases will be to executive management and handled according.

5.3. Expectations of managers and staff

- a. ElsMed expects its managers and staff to assume responsibility, to maintain high standards of ethical conduct, to act with honesty and fairness, to wear suitable clothing and to remember that ElsMed's good name and its public image are linked to how it conducts its business.
- b. Managers and employees have a duty of loyalty to ElsMed, to act in good faith, for the good of the ElsMed and its reputation, and to represent it in a seemly way. Managers and employees must avoid actions that are influenced by or appear to be influenced by factors that conflict with the good of ElsMed.
- c. Managers and employees must obey laws and regulations applying to ElsMed and set an example of personal conduct befitting the company's status.

- d. The basic responsibility employee is to use their best professional and business judgment in their decisions, for the benefit of ElsMed.
- e. Powers may be delegated in a correct, responsible, logical, and suitable way, taking account of the subject and extent of such powers, and with regular supervision.
- f. Employees may represent and/or act on behalf of ElsMed only on matters for which they have been authorized and/or asked to do so by their superiors.

5.4. Individual privacy

- a. ElsMed will be meticulous about protecting the privacy of its employees and of anyone who has work and business contacts with it. ElsMed will not permit the exposure of data affecting personal privacy, relating to the health, economic status, pay and employment conditions, opinions, beliefs etc. of an employee or other person without his consent, unless required by law.
- b. ElsMed is careful to ensure that employees whose work exposes them to information affecting the personal privacy of other employees do not convey and/or reveal such information to any unauthorized person, and do not use such information for any other purpose except for their work by virtue of their position in the organization.

5.5. Reports and presentations

- a. ElsMed will be meticulous about reliable and accurate reports according to the rules and principles of the ethical code.
- b. There must be no false or misleading representations in either internal or external financial reports, and it is absolutely forbidden to report any information with the intention of misleading.

5.6. Financial data

- a. ElsMed will be meticulous about keeping accounting records of transactions with suppliers, customers, and any other external element, fully and accurately in its books, with due discovery and in accordance with accounting criteria and principles and the applicable instructions from the authorities.
- b. ElsMed will cooperate fully with all checks and audits lawfully carried out by clients and the authorities.

5.7. Political activity

- a. ElsMed will act to prevent use of its employees, facilities, and image for political purposes in Israel and overseas, or exploitation of ElsMed, its status and image for the purposes of political gain.
- b. ElsMed will prohibit any political activity of any kind whatsoever or promotion of personal interests in this area during work hours and in company facilities.

5.8. Environmental quality

- a. ElsMed will act in accordance with international and local laws and regulations regarding the services and equipment it supplies to its customers in all its activities.
- b. ElsMed will act to prevent environmental damage including recognizing natural resources as a public resource.

6. Health and Safety

We are committed to a safe and healthy work environment. Employees must comply with all applicable laws relating to health and safety in the workplace, observe and follow safe policies and practices and report any injury or accident at work promptly. Our success depends upon maintaining a safe and healthy environment for all employees. This includes working in an environment that is inclusive and free from harassment, violence, and substance abuse. Please contact Mr. Ahron Ovadia for more information. Employee Well-being Our Company invests in our personal and professional growth.

Working Environment, the health and safety of all employees and protection of our environment is a top priority in all of our locations. We must constantly strive to prevent workplace injuries, illnesses, and environmental releases by: Following all applicable environmental, health and safety laws and regulations. Reporting, tracking and developing corrective and preventive actions; Conducting ourselves in a safe and responsible manner; Taking all reasonable precautions when handling hazardous or unsafe materials, and when operating machinery and equipment; and • Working to continuously reduce workplace hazards and environmental impacts.

We are dedicated to maintaining a drug and alcohol-free workplace. Accordingly, employees are prohibited from engaging in the unlawful manufacture, distribution, sale, possession or use of illegal narcotics, drugs or controlled substances or the unauthorized use of alcohol while conducting ElsMed business or on ElsMed premises (e.g., land, property, buildings,

structures, installations, parking lots and means of transportation owned by or leased to ElsMed or otherwise being utilized for ElsMed business and private vehicles parked on ElsMed premises). Employees may not report to work or work while under the influence of alcohol, illegal narcotics, drugs, or other controlled substances, except if the controlled substances are taken pursuant to the instructions of a licensed health care provider. Employees may not consume alcohol or use drugs, illegal narcotics, or other prohibited controlled substances during working hours, including during meal and break periods. This does not include the authorized use of alcohol at Company-sponsored functions or activities. We are committed to preventing workplace violence and to maintaining a safe work environment. We always treat all people with courtesy and respect. Any instances of violence must be reported to Mr. Ahron Ovadia. All complaints will be fully investigated.
