

Regulations for the Prevention of Sexual Harassment

#### Regulations for the Prevention of Sexual Harassment

ElsMed, as well as its respective affiliates and related entities (collectively, "ElsMed" and/or the "Company"), is actively working to create a work environment free of sexual harassment. ElsMed views sexual harassment and maltreatment related to sexual harassment with the utmost severity and will do everything in its power to prevent it.

Sexual harassment and maltreatment on the basis of gender are an offense to human dignity, freedom and privacy and violate gender equality.

On September 20, 1998, the Law for the Prevention of Sexual Harassment 1998 came into effect. From that date forth, sexual harassment and maltreatment are criminal offenses and the basis for civil damages suits.

The following regulations are designed to clarify the law and ordinances for the prevention of sexual harassment. In case of conflict between these regulations and the law and its ordinances, the law and its ordinances take precedence; they are published for the reader's perusal in section 10 of these regulations.

What do these regulations consist of?

#### part sections

- A 1-4 Defining sexual harassment and maltreatment
- B 4 The legal repercussions of sexual harassment and maltreatment
- C 5 ElsMed policy and responsibility
- D 5-6 Preventing sexual harassment and maltreatment
- E 6 What should you do if you have been sexually harassed or maltreated?
- F 6-11 The procedure for filing a complaint and how complaints are handled within the bounds of ElsMed legal responsibility.

ElsMed has appointed the following Officers for the Prevention of Sexual Harassment:

Mr. Nadav Bahri, email: <u>Nadav@elsmed.com</u> or telephone: +972-52-809-1199. Mrs. Avital Zack, email: <u>Avital@elsmed.com</u> or telephone: +972-52-874-2803.

Please contact them in order to meet and discuss any issues relating to sexual harassment.

Complaints may be filed verbally or in writing

#### Part A: Definitions of sexual harassment and maltreatment

#### 1. What constitutes sexual harassment?

- a. Although in most cases sexual harassment is perpetrated by a man towards a woman, sexual harassment may occur in situations where a woman harasses a man, or even between two men or two women; the law covers all of these possibilities.
- b. The law distinguishes between relations between co-workers and relations involving a supervisory element. In cases where the offender takes advantage of superior/subordinate status relations (either as an employer or employer), the person to whom the sexual harassment in any of its forms is perpetuated, is not obligated to show his/her objection or lack of interest in order for this to be considered harassment.
- c. By law, sexual harassment is one of five forms of prohibited behavior. These are:
  - (1) Forcing someone, through extortion or threat, to perform an act of a sexual nature.
    - e.g.: An employer who threatens to fire an employee if she does not submit to his sexual demands.
  - (2) An indecent act.
    - e.g.: An employee who touches another employee in an intimate place against his will; an employee who exposes himself before an employee, against her will; an employer who touches an employee in an intimate place.
  - (3) Making repeated overtures of a sexual nature to someone who has made it abundantly clear that he/she is not interested.
    - e.g.: An employee who suggests to a fellow employee that they spend a weekend together at a hotel and repeats this proposition even though the employee has made it clear he is not interested; an employer who invites an employee for a romantic evening at his apartment.\*
    - \*There is no requirement for the employee to show her objections or lack of interest as qualified in section b above.
  - (4) Making repeated remarks or treatment directed towards a person focusing on that person's sexuality, when that person has made it clear to the harasser that he/she is not interested in such remarks.
    - e.g.: An employee that makes repeated remarks concerning sexual aspects of a fellow employee's appearance, despite that person's expressed objection to such remarks; A reference by an employer to an employee's sexuality.\*
    - \*There is no requirement for the employee to show her objections or lack of interest as qualified in section b above

(5) Degrading or humiliating treatment directed towards a person on the basis of his/her gender, sexuality or sexual inclination.

e.g.: An employer refers to an employee using an epithet of a sexual nature; an employer humiliates an employee on the basis of his sexual inclination.

This prohibited behavior has been extended to include publication or sharing of a picture, film or recording of a person that focuses on their sexuality in circumstances that may humiliate or shame them, without express permission to publish or share.

### d. Expression of lack of interest.

This obligation does not apply to harassment through extortion, degrading or humiliating behavior, or exploitation of superior/subordinate status relations.

- (1) As a rule, a person must externalize the fact that he/she is not interested in the sexually harassing act.
- (2) A person must express the fact that he/she is not interested in the sexually harassing behavior in words or in behavior that is unequivocal.

#### 2. What does not constitute sexual harassment?

Despite the legislature's effort to define in detail what constitutes sexual harassment, it is the nature of definitions to always leave a gray area. For example, it is hard to define in advance what will constitute "degrading" or "humiliating" treatment with regards to a person's sex or sexuality. The prohibition of sexual harassment does not forbid courtship performed in good will and with mutual interest. In addition, this law does not deal with harassment that is without a sexual implication.

# 3. What constitutes maltreatment and harm related to sexual harassment in the workplace?

According to the law regarding sexual harassment, maltreatment is any harm, damage or injury stemming from sexual harassment, or from a complaint or suit filed following sexual harassment. e.g.: An employee gives testimony regarding an employer or appointee's maltreatment of another employee. Therefore, the working conditions of the employee who testified are worsened.

#### 4. What does "in the framework of working relations" mean?

According to the law for the prevention of sexual harassment, sexual harassment, or maltreatment in connection with sexual harassment "in the framework of working relations" take place under one of the four circumstances:

- a. In the workplace.
- b. In another place where activity is undertaken on the employer's behalf.
  - e.g.: At an employer's booth at a convention; at a professional workshop or course held by the employer outside the workplace.
- c. In the course work.
- d. Through exploitation of superior/subordinate status working relations in any other setting.
- e.g.: Sexual harassment that takes place at the home of a superior.

# Part B: The legal repercussions of sexual harassment, maltreatment or any damage inflicted in connection with sexual harassment in the workplace

- 5. Sexual harassment, maltreatment and/or damage inflicted in connection with sexual harassment in the workplace constitute illegal behavior.
  - a. Sexual harassment, maltreatment or damage inflicted in connection with sexual harassment in the workplace constitutes:
    - (1) A criminal offense that may lead to the imprisonment and/or fining of the person perpetrating the harassment or maltreatment.
    - (2) A civil offense that can serve as grounds for a civil suit. In such a suit, the plaintiff may sue the harasser or perpetrator of maltreatment for monetary compensation, including punitive damages without proof of damage as well as other forms of compensation permanent or temporary.
  - b. Should the plaintiff choose to take one of the courses of action enumerated in section a, nothing shall constrain plaintiff from exercising any rights described in this section.
- 6. Sexual harassment and maltreatment constitute disciplinary offenses under the Disciplinary Regulations for employees at ElsMed.

Sexual harassment or maltreatment perpetrated by an employee while in the course of activities at ElsMed constitutes a severe disciplinary offense under the Disciplinary Regulations.

## Part C: ElsMed's policy and legal responsibility

# 7. Sexual harassment, maltreatment and/or damages inflicted in connection with sexual harassment are contrary to ElsMed's policy.

Sexual harassment, maltreatment or damages inflicted in connection with sexual harassment are contrary to ElsMed's policy and will not be tolerated. ElsMed will act to keep its work environment free of such forms of behavior.

### 8. ElsMed's legal responsibility

- a. The law for the prevention of sexual harassment places special responsibility upon employers for the behavior of their employees and appointees.
- b. In keeping with ElsMed's responsibility under this law, ElsMed is considered an employer, its employers are considered employees or appointees, and employees are considered employees.
  - e.g.: In the event that an employer sexually harasses an employee at ElsMed, this shall be considered as an appointee's harassment of an employee. If such harassment takes place between two employees, it shall be seen as harassment between two employees.
- c. The law waives this special responsibility in cases where the employer fulfilled its legal obligations under the Law for the Prevention of Sexual Harassment. This obligation is, in principle, to employ reasonable means to prevent sexual harassment and maltreatment; to deal efficiently with every case brought to the employer's attention; and to prevent the recurrence of the offenses in question. Likewise, the employer is obligated to remedy the damage or injury incurred by the plaintiff because of the harassment or maltreatment. The following sections of these regulations serve to clarify how ElsMed is prepared to prevent sexual harassment and maltreatment within the framework of its activities and, should they occur nevertheless, to deal with them.

# Part D: The prevention of sexual harassment, maltreatment and damage inflicted in connection with sexual harassment

#### 9. Preventive measures

- a. ElsMed demands all of its employees, employers, appointees and employees refrain from sexual harassment, maltreatment and inflicting damage in connection with sexual harassment within the framework of ElsMed's activities.
- b. ElsMed requires every employee, employer, appointee, and employee to do everything within his/her power to prevent sexual harassment and maltreatment, in order to keep the work environment free of such detrimental behavior.

#### 10. The accessibility of information

- a. Every employee, employer, appointee, and employee at ElsMed is entitled and encouraged to read and receive a copy of each of the following:
  - (1) The Law for the Prevention of Sexual Harassment, 1998.
  - (2) The Ordinances for the Prevention of Sexual Harassment (employer's obligations), 1998.
- b. ElsMed employees can obtain these documents from the Company's CFO, Mrs. Avital Zack.

## Part E: What should you do if you have been sexually harassed or maltreated?

#### 11. The courses of action available to a victim of sexual harassment or maltreatment

- a. A person who thinks he/she has been sexually harassed or maltreated can legally avail him/herself of any or all of the following courses of action.
  - (1) Have the matter dealt with within ElsMed: If the harassment or maltreatment took place within the bounds of ElsMed's activity a complaint can be filed with the officer in charge of sexual harassment issues. The procedure for this is explained in part F.
  - (2) File a complaint with the police.
  - (3) File a civil suit.
- b. ElsMed recommends that sexual harassment and maltreatment victims turn in any case to the officer in charge of sexual harassment issues at ElsMed, so that ElsMed may act to prevent recurrence of the harassment or maltreatment, regardless of the victim's decision on whether or not to take legal action.

# Part F: The procedure for filing a complaint and how complaints are handled within the bounds of ElsMed's legal responsibility

### 12. Who can file a complaint and under what circumstances?

Complaints may be filed by one of the following:

- a. A person who claims to have been sexually harassed or maltreated in the course of activity at ElsMed, whether he/she is an ElsMed employee, candidate for employment, ElsMed appointee, the employee of a manpower contractor or a subcontractor assigned to work at ElsMed, or another person.
- b. A person representing one of the above persons (in subsection a). In such case, it is recommended that the representative provide evidence testifying that the alleged victim has agreed to file the complaint (e.g., a letter signed by the victim)

#### 13. Where should the complaint be filed?

- a. Any complaint regarding sexual harassment or maltreatment that occurred within the bounds of ElsMed's activities must be filed with the officer in charge of sexual harassment issues.
- b. In case the plaintiff feels uncomfortable turning to the officer in charge (for example, if the complaint is against the officer or if the plaintiff believes the officer has a personal connection to the complaint or the persons involved), he/she may file the complaint with the substitute officer.

### 14. The contents of the complaint

The complaint will contain a description of the incident(s), including:

- a. The identities of the people involved and witnesses, should there be any.
- b. The circumstances of the incident(s) (such as: location and time).
- c. An indication whether or not the plaintiff made it unequivocally clear to the harasser that he/she finds the harassing behavior objectionable.
- d. An indication whether or not there exists any relationship of dependence or subordination or the like between the plaintiff and the accused.

### 15. Filing procedure

- a. It is recommended that complaints be filed in writing, but complaints also can be made verbally.
- b. In the case of a verbal complaint:
  - (1) The officer in charge of sexual harassment issues will write down the contents of the complaint.
  - (2) The plaintiff will sign the officer's transcription, authorizing its contents.
  - (3) The officer will give the plaintiff a copy of the complaint.

#### 16. The procedure for investigating the complaint

- a. After receiving a complaint, the officer in charge of sexual harassment issues will take the following steps:
  - (1) Inform the plaintiff of the courses of action legally available to him/her (as described in section 11 of these regulations).
  - (2) Act to investigate the claim. For this purpose, and among other steps, the officer will hear the plaintiff, the accused and other witnesses, should there be any, and will thoroughly investigate any information he/she receives in connection with the complaint.
- b. The officer will not handle the investigation of the complaint if he/she has any personal connection to the substance of the complaint or the persons involved in it.

In such cases, the officer will transfer the investigation to the substitute officer, or, in her absence, refer the complaint to the vice president for employee affairs.

- c. Investigation of the complaint will be undertaken without delay.
- d. The officer will take actions while striving to preserve, as far as possible, the dignity and privacy of the plaintiff, the accused and witnesses. In addition:
  - (1) The officer will not reveal information he/she receives during the investigation unless it is required by the needs of the investigation itself or by law.
  - (2) The officer will not ask for information regarding the plaintiff's past sexual behavior that is not related to the accused and will disregard such information of this nature, if it is presented. This subsection will not apply if the officer believes that failure to ask for such information or to take it into consideration will result in an irreparable wrong against the accused.
- e. ElsMed will protect the plaintiff during the investigation of the complaint from any harm related to work that might result from filing the complaint, or from any other harm in the framework of working relations that might impede the investigation. Among other things, ElsMed will act to keep the accused as far from the plaintiff as possible, or as far as seems appropriate in the circumstances at hand.
- f. At the end of the investigation, the officer will submit his/her findings in writing without delay, along with his/her detailed recommendations regarding further action in connection with the complaint, including any one of the courses of action described in section 17 below.
  - (1) In cases of a complaint against an employee of the ElsMed, the findings will be submitted to the President of the ElsMed.
  - (2) In cases of a complaint against an ElsMed employee, appointee or any other person, the findings will be submitted to the President of the ElsMed.
  - (3) In cases where the complaint is made against the employee of a manpower contractor or a subcontractor assigned to perform work for the ElsMed, the findings will also be submitted to the employee's official employer.
- g. Should ElsMed learn of a case of sexual harassment or maltreatment in the framework of working relations, following which no complaint was filed or the complaint was withdrawn, the case will be forwarded to the officer in charge of sexual harassment issues for investigation. Having received information concerning such a case as described above, the officer will investigate the case, to the extent possible, according to this section, with the appropriate changes. If the complaint was withdrawn, the officer will investigate the reasons for the withdrawal.

#### 17. ElsMed actions in the case of sexual harassment or maltreatment

- a. Within seven working days of having received the officer's findings and recommendations, as aforesaid in section 16f, the President of the ElsMed will decide in a period that does not exceed 7 days to act in any of the following ways:
  - (1) Issuing directives to workers and employees involved in the incident, including directives regarding proper conduct within the framework of working relations, and distancing the accused from the victim's vicinity, as well as taking measures in work-related matters that will prevent recurrence of the sexual harassment or maltreatment, or remedy the harm done to the victim because of the harassment or maltreatment.
  - (2) In a case of sexual harassment by an employee of the ElsMed, opening disciplinary proceedings pursuant to the employees' disciplinary regulations.
  - (3) Not taking any steps.
- b. ElsMed will act without delay to implement the decision of the appropriate authority pursuant to subsection and will send a written notification of the decision clarifying the reasons behind the ruling to both the plaintiff and the accused, as well as to the officer in charge of sexual harassment issues; likewise, the employer will enable the plaintiff and the accused to inspect the officer's findings and recommendations.
- c. ElsMed is entitled, following a change in circumstances, to alter its decision according to subsection or delay implementation of its decision and will send a written notification to the plaintiff, the accused and the officer clarifying the reasons behind this step.
- d. The above notwithstanding, ElsMed retains the right to postpone its decision, alter it or delay its implementation due to other pending legal or disciplinary proceedings concerning the incident addressed in the decision. Should ElsMed act in such a manner, the following steps shall be taken:
  - (1) ElsMed will send a written notification to the plaintiff, the accused and the officer explaining the reasons for this step.
  - (2) So long as such proceedings have not been concluded, ElsMed will act pursuant to the directives of section 16e.
  - (3) After the conclusion of the proceedings, ElsMed will reach a decision pursuant to subsection a.

Should the accused, although employed de facto at ElsMed, be officially employed by a manpower contractor or a subcontractor, ElsMed and the accused's employer can decide together which of them shall carry out the directives of the above section, in whole or in part.

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