

**AFI Europe N.V.****CODE OF CONDUCT**

As used in this Code of Conduct, (i) “**AFI Europe**” or the “**Company**” means AFI Europe N.V. together with all of the companies which it owns or manages, and (ii) “**Employee**” means any person employed by the Company or any service provider or consultant who provides in-house services to the Company.

**1. Compliance with laws**

It is our corporate policy to comply with the laws of the countries in which we operate and with the regulatory requirements affecting our businesses. This includes compliance with employment, health and safety, environmental, and other business regulations, as well as with laws governing criminal offenses.

In countries where legal requirements and common business practices may be less restrictive than those set forth in this Code, you should follow those set forth in this Code. However, if applicable law conflicts with a policy in this Code, you must comply with the law.

**2. Employees and Company expectations**

All employees must understand and comply with AFI Europe’s guidelines, policies and procedures. We expect you to observe applicable laws and ethical standards in all matters concerning the Company, and to treat everyone with whom you come in contact, including your co-workers, with respect and dignity. AFI Europe is committed to maintaining high standards of conduct and to providing a productive and professional work atmosphere in which to work. The Company will not tolerate conduct that is unethical, illegal or dishonest. This Code and other Company policies and procedures are designed to help you understand and meet expected standards.

Please see the section entitled “Responsibility for Compliance”, which describes how you may report suspected non-compliance and how you may seek advice if you have any questions. You can be assured that the Company will not retaliate against you for asking questions or raising concerns about compliance with the Code or reporting possible improper conduct.

**3. Employment relationship**

Subject to the applicable law of the relevant local jurisdiction, each AFI Europe employee is generally employed by the Company pursuant to an employment contract. Any employee is free to end his or her employment with AFI Europe at any time for any reason. Likewise, AFI Europe may, at any time, decide to end an individual’s employment with or without cause. While employees are required to follow the standards set forth in the Code and in the Company’s policies and procedures, this Code and the other policies and procedures may be revised from time to time at AFI Europe’s discretion and is not a contract of employment. Where the employment relationship is contractual, terms of that contract will govern the relationship between AFI Europe and the employee.

**4. Anti-discrimination and anti-harassment**

AFI Europe hires, pays, promotes and makes other employment decisions based upon lawful factors, such as qualifications and performance, and without regard to race, sex, color, religion, age, national origin, sexual orientation, disability or any other basis that is protected under applicable law. We are committed to an environment free from all forms of harassment and unlawful discrimination or retaliation. Employees who engage in harassment or discriminatory behavior or retaliation and managers who tolerate it are in violation of the Code.

**5. Drug and alcohol abuse and drug-free workplace**

AFI Europe prohibits the illegal use, sale, purchase, transfer or possession of drugs, other than medically prescribed drugs, while on the Company’s premises. The purpose of this policy is to achieve a drug-free

workplace and to impose disciplinary sanctions upon employees who are under the influence of alcohol or use, sell, or possess illegal drugs during the course of their employment with the Company.

## **6. Workplace violence**

AFI Europe does not tolerate workplace violence or threats of violence committed by or against employees or property. Workplace violence can include acts or threats of violence to another person, the intentional damaging of employer property or the property of another person, or behaviors that cause others to feel unsafe in our workplace. If you feel that the words or actions of a co-worker suggest the potential to threaten the safety or property of others, please speak with your manager. If the response is still unsatisfactory or if the situation warrants, you may directly contact the Company's CEO.

## **7. Conflict of interests and opportunities for personal gain**

All Employees must avoid relationships, activities or interests that conflict or appear to conflict with the interests of the Company. All Employees have an obligation to promptly disclose to their manager any relationship, activity or interest that could possibly involve or appear to involve an actual or potential conflict of interest. The appearance of a conflict of interest may be as damaging to the Company as an actual conflict of interest. When dealing with current or prospective customers or suppliers you must never receive or extend preferential treatment for personal gain or for the gain of family or friends.

Furthermore, Employees are prohibited from taking for themselves personally opportunities that are discovered through the use of corporate property, information or position without the consent of the of the Company. No employee may use corporate property, information or position for improper personal gain, and no employee may compete with the Company, directly or indirectly. Employees owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises.

## **8. Related Party Transactions**

All Employees should immediately inform their manager or the Corporate Secretary at the outset of negotiations or contacts regarding a potential transaction between an entity or a person related to an Employee of AFI Europe or its subsidiaries and AFI Europe or its subsidiaries and in any event prior to completion of any such transaction (without regard to size or materiality).

## **9. Acceptance of entertainment or gifts**

You may never accept bribes, kickbacks, or other types of unusual payments from any organization or individual seeking to do business with, doing business with, or competing with AFI Europe. You may accept gifts or entertainment of nominal value as part of the normal business process if public knowledge of your acceptance would cause the Company no conceivable embarrassment. Even a nominal gift and/or entertainment should not be accepted if it might appear to an observer that the gift and/or entertainment would influence your business decisions. The term "nominal value" applies to the amount of the gift and/or its frequency; i.e., frequent gifts, even if of nominal value, are unacceptable. The term "entertainment" includes, but is not limited to, meals, charitable and sporting events, parties, plays and concerts. If you have any questions about the acceptance of entertainment or gifts, ask your manager for advice.

## **10. Fraud**

You may not engage in fraudulent conduct. "Fraud" is the deliberate practice of deception in order to receive unfair or unlawful gain. The nature of our businesses presents a variety of opportunities for individuals within or outside AFI Europe to commit fraud. You must be sensitive to that fact and immediately report any suspicion or discovery of fraud. You may report any such matter anonymously to the Company's CEO or Corporate Secretary.

## **11. Financial reporting**

All financial and other records of the Company are required to accurately and fairly reflect the Company's assets, liabilities, revenues and expenses. You must record all financial and business transactions in the proper account and in the proper accounting period. Accurate supporting documentation with sufficient detail



to permit its review and audit must be provided and maintained in connection with all transactions. No false, artificial, misleading or deceptive entries may be made in any of the books, records or accounts of the Company. No fund or asset that is not fully and properly recorded and no accounting entries or books of account that do not truly reflect the transactions to which they relate may be created or permitted to exist. The filing or furnishing of false information in any governmental filing or to any governmental official is prohibited.

If you have any concerns regarding financial reporting or other accounting or auditing matters, you may report any such matter anonymously to the CEO, the CFO or the Corporate Secretary.

## **12. Company records and accounts**

All Company records and accounts are the property of AFI Europe. Company records and accounts must be maintained at all times in reasonable detail and in a manner that accurately reflects all business and financial transactions, including the disposition of assets.

If you became aware of (i) any significant deficiency in the Company's internal controls, which could adversely affect the Company's ability to record, process, summarize and report financial data, or (ii) any fraud, whether or not material, that involves management or other employees of the Company who have a significant role in the Company's financing reporting, disclosures or internal controls, you should promptly bring it to the attention of the CEO, the CFO or the Corporate Secretary.

You must take special care regarding any documents that may be the subject of any litigation or governmental investigation. The destruction or falsification of a document in order to impede a governmental investigation, audit or examination may lead to prosecution for obstruction of justice. Any information supplied to individuals performing audits, or preparing regulatory reports or financial statements must, in all material respects, be accurate and complete.

## **13. Protection of the Company's Property**

All employees should endeavor to protect the Company's property, plant and other tangible and intangible assets. Any suspected incident of fraud or theft should be reported immediately for investigation. Company property should not be used for non-Company business, though incidental personal use may be permitted.

## **14. Expense accounts**

The Company recognizes its responsibility to reimburse you for legitimate business expenses. Those expenses should be within reasonable limits and commensurate with the nature of the business assignment. You are expected to fully and clearly document business expenses and comply with the Company's travel policy.

## **15. Employee privacy**

Company information about employees is confidential and only those with a legitimate, work-related need may access such information. You are required to adhere to the applicable laws regarding employee information. The Company will not release any other information about you unless required to do so by applicable law, pursuant to a court order, or as deemed appropriate by the Company.

## **16. Proprietary information**

Proprietary business, technical, personal information of the Company and its employees, customers and suppliers is considered confidential and must be safeguarded. To the extent that any information affords the Company a competitive advantage and subject to applicable law, that information is a trade secret of the Company. You may not disclose proprietary information of the Company, its employees, customers, former employees, former customers or suppliers. Further, you may not use any such information for the benefit of anyone other than the Company unless you are specifically authorized to do so. These prohibitions continue even if you cease being employed by the Company for any reason.

## **17. Corporate data security**

Corporate data refers to all information collected, created, processed and/or maintained in the normal course of AFI Europe's business. The data may be in manual form (examples include verbal, handwritten, typed onto hard copy, photocopied or computer printouts), electronic form (examples include e-mails, voice-mails, computer memory, magnetic tape, cassette, disk, or diskette), or AFI Europe specific information included in computer applications programs, personal computing software, or operating system software.

Corporate data security encompasses all measures taken by AFI Europe to keep corporate data confidential and to safeguard such data from loss, theft, compromised integrity, or reduced availability. AFI Europe also acquires software and/or data under purchase and/or license agreements with outside vendors. The same protections are applied to this software and data as AFI Europe applies to corporate data. All AFI Europe employees and any other person having physical or electronic access to corporate data are responsible for safeguarding corporate data by knowing and keeping such corporate data confidential. This responsibility includes obtaining the appropriate authorization to access corporate data and reporting any actions and/or incidents that could threaten the security of corporate data.

## **18. E-mail and internet**

You may not access or use AFI Europe's electronic and telecommunications systems without appropriate authority. These systems are provided for business use, and only occasional personal use of the systems is permissible. Occasional personal use means minimal and infrequent use that does not interfere with the Company's business or with an employee's job performance. AFI Europe's systems may not be used to access or transmit material that could embarrass, harass, or offend other persons.

## **19. External communications**

Requests for financial or business information, for interviews with any AFI Europe employee relating to AFI Europe or its business, or the issuance of any press releases by any AFI Europe employee must be in accordance with the relevant operation guidelines of the Company. In addition, you should not comment on or respond to external requests for information on rumors. Any inappropriate or inaccurate response, even a denial or disclaimer of information, may result in adverse publicity and could seriously affect AFI Europe's market and legal position.

## **20. Public disclosure requirements**

Applicable securities laws and regulations impose on-going disclosure requirements on AFI Europe's parent corporation and require it to file certain reports regarding AFI Europe to the Israel Securities Authority and the Tel Aviv Stock Exchange and disseminate them to its shareholders. All such reports and submissions ("**Reports**") must comply with applicable legal requirements and may not contain material misstatements or omit material facts.

## **21. Environmental protection**

As a Company and as individuals, we must exercise good judgment with regard to the environmental aspects of our use of Company facilities and real properties. We are committed to full compliance with all applicable environmental protection laws and expect your individual cooperation.

## **22. Health and safety**

It is AFI Europe's policy to comply with all applicable laws relating to health and safety in the work environment. Employees must observe safe practices on their jobs, report any injury or accident at work promptly and follow company security and emergency policies and procedures.

## **23. Responsibility for Compliance**

### *23.1 Your responsibility*

Each employee is obligated to adhere to this policy in the performance of his or her job responsibilities. When faced with a situation that requires an evaluation of what is, and what is not, proper business conduct, begin by applying the following criteria:

- Is the course of conduct legal?
- Is the course of conduct in accordance with the guidelines set forth in this Code or in the other policies and procedures of the Company?
- Would you or the Company be embarrassed if the situation were known by your co-workers or the public?
- Does the intended behavior have the appearance of improper conduct?

If you are unable to answer “yes” to the first two questions and “no” to the second two questions with certainty, seek advice through the Corporate Secretary. Remember that failure to report a violation of this Code is itself a violation.

### *23.2 To seek advice or report non-compliance*

If you suspect non-compliance, or have a question about the proper course of action in a particular situation, ask your manager for advice. If for any reason you feel uncomfortable discussing your concerns or questions with your manager, or if you are dissatisfied with his or her response, seek advice from the Corporate Secretary.

### *23.3 Disciplinary action*

The Company intends to prevent the occurrence of conduct not in compliance with the Code, applicable laws or regulations, or other policies, procedures and guidelines prepared by our Company and its business units and to halt any such conduct that may occur as soon as reasonably possible after its discovery. Allegations of non-compliance with the Code will be investigated whenever necessary and evaluated at the proper level(s). Those found to be in violation of this Code are subject to appropriate disciplinary action, up to and including termination of employment. Criminal misconduct may be referred to the appropriate legal authorities for prosecution. Any waiver of the Code for executive officers, directors or employees may be made only by the Company’s CEO, in accordance with applicable law.

### *23.4 When in doubt...*

More detailed guidelines on some of the issues discussed in this Code can be found in AFI Europe’s policies and procedures, as issued and amended from time-to-time. It is your responsibility to review our complete policies when questions arise or when more detail is needed. Your manager can direct you to the proper source.

Any conduct forbidden by the Code is outside the scope of your employment with AFI Europe. While the Company is responsible for communicating and enforcing its standards, you are responsible for your own conduct in any given situation. If you think you are being asked to behave or conduct business in an illegal, unethical or otherwise inappropriate manner, or you suspect others of such behavior, immediately report your concerns through the channels described above. You will not be penalized for reporting what you believe, in good faith, to be a breach of the Code; even if it later turns out that a violation has not occurred.