

Exalenz Bioscience Ltd

Ethical code and business conduct rules

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1. Declaration of intent

Exalenz Bioscience Ltd and its subsidiary companies (collectively, “Exalenz” and/or the “Company”) is committed to conducting its affairs lawfully and with the highest ethical business

conduct standards when dealing with their employees, clients, suppliers, shareholders and any other business associates.

This Code of Ethics and Business Conduct (hereinafter: the “Code”) is intended to (i) provide a general framework of legal and ethical business conduct guidelines and; (ii) instill and establish values, policies and procedures to guide employees in the performance of their duties and responsibilities and ensure compliance with the Company's commitment to ethical and lawful conduct... Clearly, the Code cannot, and does not aspire to, encompass all of the binding rules of conduct of the Company in all situations. Nevertheless, the principles and values set forth in the Code can assist in taking the right decisions even in situations that do not expressly appear herein. In any event of doubt as to the manner in which one should conduct himself/herself, the Company's management and consultants should be consulted with.

The Code applies to all employees and office holders in the Company and binds them throughout all of their activities in the Company. Where the word "employee" is used, the word also refers to office holders in the Company, whether employed directly by the Company, and the Company's independent consultants and subcontractors.

2. Compliance with Laws, Regulations and Company Procedures

Exalenz conducts its affairs in compliance with all laws and regulations and in accordance with the Company's high ethical standards in any country where it provides products or services. Each employee is responsible for understanding and upholding rules and regulations pertaining to his/her duties and areas of responsibility. Being socially responsible, the Company also aspires to lead and set an example to other companies beyond the commitment to abide by the law.

3. Insider Information

Exalenz's securities are traded on the Tel Aviv Stock Exchange (hereinafter: the “Stock Exchange”). In addition, some of the shareholders of Exalenz are companies listed on the Stock Exchange. The Securities Laws prohibit the use of insider information concerning securities traded on the Stock Exchange.

Therefore Company's employees must keep in strict confidence any and all information they are exposed to in the course of their work. In addition, employees and their family members are strictly forbidden to trade Exalenz securities, or securities issued by Exalenz shareholders, based upon information they are exposed to during their work for the Company. Finally, employees may not under any circumstance provide a family member, friend or any other person with recommendations based upon such information. Any information published by the MAGNA system of the Stock Exchange or the media shall not be deemed "inside information" for the purpose of this section.

4. Conflict of Interests

Employees have an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest. This policy establishes only the framework within which Exalenz wishes the business to operate. The purpose of these guidelines is to provide general direction so that employees can seek further clarification on issues related to the subject of acceptable standards of operation. Employees shall contact the Company's management and consultants for more information or questions about actual or potential conflicts of interest.

Transactions with outside firms must be conducted within a framework established and controlled by the executive level of Exalenz. Business dealings with outside firms should not result in unusual gains for those firms. Unusual gain refers to bribes, product bonuses, special fringe benefits, unusual price breaks, and other windfalls designed to ultimately benefit either the employer, the employee, and/or any firm including but not limited to its owners, directors, officers, employees, agents or representatives or any other person or business entity. Promotional plans that could be interpreted to involve unusual gain require written approval from employee's immediate supervisor and the Company's management.

5. Prohibition against receiving benefits

Exalenz employee's are forbidden to receive payments and/or benefits and/or gifts from any third party including clients and suppliers of the Company, and any benefit and/or payment related directly or indirectly with the employee's work in the Company. The employee

undertakes to notify the Company immediately upon any business and/or interest of the Company that might give rise to a benefit to him or anyone related to him. This Section does not prevent receipt of common gifts with low monetary value.

6. Business Opportunities

The Company's employees are strictly forbidden to take advantage of business opportunities of the Company for themselves or anyone related to them. In addition, the Company's employees may not gain personal profits or assist others in gaining personal profits from business opportunities that emerged (i) while using Company's business information; (ii) by virtue of the office held by the employee in the Company; or (iii) in order to compete with the Company directly or indirectly. The Company's employees are required to disclose to the Company any information or document pertaining to its interests that became known to the employee by virtue of his office and status in the Company.

7. Company Assets

Exalenz owns tangible, business, commercial intellectual and other kinds of assets. Any use of the Company's assets shall be done ethically and legally and only for the purpose of promoting the business interests of the Company. The Company's assets belong to the Company and are meant to serve the Company in the framework of its business activities. Thus, the employees are committed to keeping the Company's property under their responsibility in appropriate conditions and act with due caution, prudence and efficiency. The Company's property may not be used in a manner that may give rise to a conflict of interests with the employee's office in the Company, including for the purpose of generating personal profits to the employee and/or anyone acting on his behalf. Each employee is required to report immediately to his supervisor concerning any use of the Company's property that was not made for the benefit or needs of the Company.

8. Company's values

Exalenz considers professionalism and excellence as supreme values and a basis on which the Company can reach its goals. Company's management considers Company's employees as partners in the business success of the Company. The Company's management

encourages professionalism, excellence, personal responsibility and initiative for the purpose of promoting the Company's goals.

9. Confidentiality and Non Disclosure

Certain types of information about Exalenz's products, processes, employees and customers are confidential, which, if disclosed to competitors or other members of the public, could significantly harm Exalenz's interests. Employees are forbidden to disclose any trade secrets or other confidential information or data learned in the course of employment to individuals not employed by the Company, except with the Company's express written permission. Employees agree and undertake to maintain the confidentiality of the Company's trade secrets and other proprietary information and to use such confidential information only in the course of employment. Each employee is responsible for safeguarding confidential information obtained in connection with his or her employment. In the course of employee's work, he/she may have access to confidential information regarding the Company, its suppliers, its customers or perhaps even fellow employees. It is the employee's responsibility to in no way reveal or divulge any such information unless it is necessary for employee to do so in the performance of his/her duties. Access to confidential information should be on a "need-to-know" basis and must be authorized by employee's immediate supervisor and/ or the Company's management. Any breach of this policy will not be tolerated and legal action may be taken by the Company.

Non -Disclosure

The protection of confidential business information and trade secrets is vital to the interests and the success of Exalenz. Such confidential information includes, but is not limited to, the following examples:

- Acquisitions and Divestitures
- Compensation data
- Customer lists
- Customer preferences
- Financial information
- Intellectual Property

- Labor relations strategies
- Litigation
- Marketing strategies
- New materials research
- New product information
- Pending projects, proposals, and patents
- Personal Information
- Proprietary production processes
- Research and development strategies
- Scientific data
- Scientific formulae
- Scientific prototypes
- Technological data
- Technological prototypes

Employees who have access to confidential information are required to sign a non-disclosure agreement as a condition of employment. Employees who improperly use or disclose trade secrets or confidential business information will be subject to disciplinary action, up to and including termination of employment and legal action, even if they do not actually benefit from the disclosed information.

The obligation to maintain confidentiality of the trade secrets and confidential and/or proprietary business information continues indefinitely past the date of termination of employment with Exalenz regardless of the cause of termination.

10. Disclosure of information

While keeping in mind that Exalenz is a public company listed on the Stock Exchange, in order to uphold the relevant legal provisions employees must provide, in the framework of their employment, full, accurate and precise information that does not include false information or omissions of any material details.

11. Mutual respect

Each employee is entitled to basic, fundamental rights and should be treated with respect, equality and honor. Each employee is entitled to freedom of thought, conscience, religion and expression as long as this is done without prejudice to the feelings or rights of other employees.

The Company forbids any kind of discrimination and harassment based on race, color, creed, religion, sex, age, disability, national origin, ancestry, citizenship, armed forces service, marital or veteran, status, sexual orientation, or any other impermissible factor.

In the framework of the Company's work, Company employees shall treat other employees, clients, suppliers, shareholders and any other business associate with respect and tolerance and shall refrain from any display of vulgar, violent or threatening behavior towards other employees in the Company including sexual harassment and physical or verbal violence and from any activity that might result in an offensive or hostile atmosphere.

12. Sexual Harassment

Exalenz has a policy to provide a work environment that is safe, conducive to good job performance, and free from discriminatory practices. As with harassment involving race, color, religion, age and national origin, Exalenz does not permit sexual harassment of its employees in any form, whether committed by supervisors, other employees or non-employees. Exalenz will take all steps necessary to prevent sexual harassment. The supervisor on behalf of the Company concerning sexual harassment is Mrs. Liat Cohen .

All employees are forbidden to engage in any form of sexual harassment. For purposes of this policy, sexual harassment is defined as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature. Unwelcome sexual advances are considered illegal when:

- Submission to such conduct is expressed either explicitly or implicitly as a term or condition of an individual's employment.
- Submission or rejection of such conduct by an individual is used as the basis for employment decisions, such as promotion, transfer or termination.
- Such conduct has the purpose or effect of substantially interfering with an individual's work performance or creating an intimidating, hostile or

offensive work environment.

Specific behaviors that Exalenz will consider sexual harassment include, but are not limited to, the following:

- Abusive language or writing related to an employee's sex
- Any sexual advance that is unwelcome
- Sexually-orientated comments about an employee's body
- Showing or displaying pornographic or sexually explicit objects or pictures in the workplace

Supervisors are responsible for ensuring a work environment free from unsolicited, unwelcome and intimidating sexual overtures, and must promptly take appropriate action when instances of sexual harassment come to their attention.

Procedures for Reporting and Investigating Sexual Harassment:

Employees are expected to report incidents of sexual harassment involving themselves or another employee as soon as possible after the occurrence to Mrs. Liat Cohen . If the employee's supervisor is believed to be involved in the incident, the report should be made directly to Mrs. Cohen .

Human Resources will promptly investigate charges of sexual harassment. To whatever extent possible under the circumstances, the confidentiality of all the employees involved in the investigation will be maintained. Employees can raise concerns and make reports without fear of reprisal.

Penalty for Violation of Sexual Harassment Policy:

Any employee who is found to have committed an act of sexual harassment will be subject to disciplinary action, up to and including termination.

13. Equal Employment Opportunity (EEO)

Exalenz believes that all persons are entitled to equal employment opportunity (EEO) and prohibits discrimination against its applicants or employees on the basis of their race, gender, color, creed, religion sex, age, national origin, ancestry, citizenship, marital status, disability, medical condition, sexual orientation, citizenship, status as a veteran or any other basis protected by federal, state or local law or ordinance or regulation. Exalenz 's commitment to providing equal employment opportunity extends to every aspect of the employment relationship, including recruitment, hiring, training, promotions, transfers, discipline, layoffs, and termination. Exalenz will reasonably accommodate covered disabilities and religious practices of employees in accordance with applicable law.

Individuals who believe that this policy has been violated should contact Mrs. Liat Cohen immediately. Exalenz policy prohibits retaliation against an employee who makes a good faith complaint under this policy or who honestly assists an investigation pursuant to this policy.

14. Side letters prohibition

Side letters are strictly prohibited and are considered a violation of our business ethics and zero tolerance policy for which severe repercussions are possible.

Passive acceptance or knowledge of such letters will likewise be considered a violation of this policy. Side letter refers to any agreement or correspondence between an Exalenz representative and a customer ,supplier or partner, which modifies or amends any of the terms and conditions specified in the original contract, agreement or purchase order and are prepared outside or apart from Exalenz's standard process and procedures for contract/order amendment.

15. Violation of the values prescribed by the ethical code

The basic responsibility for upholding the rules prescribed by the Ethical code and maintaining appropriate business conduct is incumbent on all of the Company's employees and managers.

The Company recommends that each employee consults with his supervisors or another professional entity in the Company that is related to the matter when there is a doubt concerning the appropriate course of action in the framework of the employee's office in the Company.

The Company appointed Mrs. Nitza Lifshitz, chairwoman of the board of directors audit committee and an external director in the Company, as supervisor of reports and complaints concerning the violation of the Code in the Company.

In the event of violation of one or more of the values prescribed and specified in this Code, the employee may contact, anonymously, Mrs. Lifshitz via phone number 054-5788185 or email: nitza_l@rad.com.

* This Code may be amended from time to time by the Company's board of directors without prior notice.