



Code of Conduct

Index

- 4** CEO's Address
- 5** Values and Behavioral Norms
- 6** General
- 8** Supplying the best product & service
- 10** Promoting excellence
- 12** Creating a good working the environment
- 14** Honesty and fairness in business activities
- 18** Promoting the community and environment
- 20** Glossary
- 22** Dilemma-solving process
- 23** Ethical Decision Making



Chief Executive Officer's Address

Amiad Water Systems Ltd. (the "Company") is a global company with a presence on five continents in more than 80 countries. As an organization that is committed to integrity in all Operations, and to offering the best possible solutions and services to our customers, it is imperative that we maintain the highest standards in all aspects of business conduct. Moreover, as an ever-expanding company, we must ensure the core values and vision of Amiad are understood and adhered to so that all those who interact with Amiad – whether internally or externally – can rest assured that they will receive the quality of care and service for which we are known.

At the same time, the course of action required to maintain such standards isn't always clear. Equally, in an ever-changing world, we are confronted with new issues that require examination and decisions.

To this end, we have formulated Amiad's Code of Conduct ("the Code"), with the aim of assisting us in making informed choices and taking the best course of action. The Code reflects our commitment to the core values of integrity, excellence, innovation, professionalism, partnership and providing high-quality customer service.

Amiad's Conduct promulgates our values and provides simple, clear rules of, or guidelines to, action that will enable us to achieve our objectives of maintaining the highest standards of ethics. In addition, it offers a guide for dealing with situations not specified within this document and when to seek advice.

We are committed to giving every employee the information and support that he/she needs in order to abide by the Code, and, correspondingly, we expect every employee to take personal responsibility to ensure compliance with the Company's Code of Conduct, policies and directions.

I believe that by following the principle of the Code we benefit the Company, its employees, customers and partners as well as the communities and environments in which we operate.

Best regards,

Dori Ivzori

Chief Executive Officer's
November 2020

Code of Conduct Values and Behavioral Norms



Supplying the best product and service

We are committed to be the forefront of innovation and technology in the international water filtration and treatment market and to supply the best possible product and service to each customer.



Promoting excellence

Maintaining standards of technical and operational excellence as well as professionalism in order to provide our customers with the best products and service and create added value.



Creating and maintaining a safe and fair working environment

Encourage ethical behavior, including fair treatment, equality, respect and tolerance for each employee, manager and individual, to enhance partnerships at work and strengthen the Company as a whole.



Honesty and fairness in business activities

Adhering to the law in Israel and in countries in which we operate and promoting ethical behavior, based on integrity and transparency, in order to reduce risk, create trust and promote long-term success.



Promoting the community and the environment

Respecting our origins and history, as well as the environment and neighboring communities in which we operate in order to increase employee's engagement with the Company and contribute to the economic

What is the Code of Conduct?

A Code of Conduct is a set of moral and normative principles of conduct that guide businesses, public organizations or professionals. Amiad's Code consists of foundation principles, which are expressed through rules of, or guidelines to, action that direct the members of the organization.

To whom does it apply?

The Code applies to all employees and agents of Amiad (e.g. subcontractors, advisors, suppliers, services providers), with the rollout to be phased commencing with those at the Company's headquarters.

Why has Amiad adopted a Code of Conduct?

As an increasingly global company, with diversified manufacturing and Operational centers as well as the blending of business cultures as Amiad has grown and acquired established organizations, the Company is promulgating the behavior expected of its employees and representatives to provide a point of reference for all concerned. This will facilitate the implementation of our core values and business principles throughout our organization to ensure optimum workplace practices and that external parties (e.g. customers, suppliers, distributors) know the high standard of service that they can expect when interacting with Amiad.

How is the Code implemented?

Employees and agents of Amiad are expected to conform to the standards of behavior contained in the Code (subject to corresponding Disciplinary measures). Responsibility for the implementation and oversight of the Code lies with the Ethics Compliance Officer. The Audit Committee of the Board shall supervise the implementation of the Code.

- Managers from each department receive training on the function of the Code and its implementation.
- New employees are required to read, and sign their commitment to the Code as part of their contract acceptance with Amiad; and will undergo brief training on the Code as part of their induction.

Amiad's success derives from supplying the best product and service to clients.

We achieve this by promoting excellence among our employees and managers, creating an optimum work environment, maintaining honest and fair relationships with all our contacts, while supporting the communities and the environment in which we operate.



Supplying the best product and service

Amiad is at the forefront of innovation and technology in the international water filtration and treatment market. The Company develops, manufactures and supplies high-quality, reliable and cutting-edge products and solutions to satisfy the needs of its customers around the world. Amiad's managers and employees are committed to supplying the best possible product and service to each and every customer.

The responsibility of Amiad's managers and employees

01 Product information

Providing customers with reliable, precise information so that they can make an informed decision.

02 Honest sales and marketing

Fair negotiations process, understanding the client's requirements and capabilities. Promising only what is realistically possible.

03 High quality product

Providing every customer with high quality, effective and safe to use products, in accordance with their needs and abilities.

04 Providing the best possible service

Providing customers with the best possible service; taking responsibility to deliver according to agreements; and doing what's necessary to ensure customer satisfaction. The Company should listen to the customer, understand their needs and, if necessary, amend the proposed solution to provide the optimal solution for each customer. This includes maintenance and training as determined in the applicable warranty and maintenance agreement.

05 Dealing with complaints

Amiad shall examine any customer complaint, ensuring that customers are kept informed of the investigation and findings thereof, and shall ensure appropriate redress is given and action taken – including within the Company to future improve performance.

06 Client privacy

Amiad shall not publish customers' information without their permission.

07 Assisting clients during crisis

Amiad strives to assist, as far as is practicable, its customers should they suffer from times of crisis.



Promoting excellence

Business excellence begins at home. To provide customers with the best products and service, and to create added value, Amiad's managers and employees must maintain standards of technical and Operational excellence as well as professionalism.

The responsibility of Amiad's managers and employees

01 Employees' loyalty

Employees should strive to make decisions that serve the Company's vision and long-term strategy, and help to achieve its goals and objectives. Amiad's managers and employees should be committed to the Company's values and goals.

02 Optimal performance from the "get-go"

Employees should perform in the optimal manner in accordance with instructions, limitations and constraints from the start of their employment and at all times. They should perform purposefully, effectively, and be accountable for performance - and demonstrate Operational flexibility, while receiving required approval of the person in charge within the Company.

03 Setting goals and areas of responsibility

Managers are to manage employees' expectations as to work required, and establish personal and departmental responsibilities, in accordance with the organizational structure, goals and objectives of the Company. Managers' responsibilities include matching the needs and abilities of employees, whenever possible, and providing them with required resources for the success of the allocated role or task.

04 Meeting objectives and drawing conclusions

All employees are required to meet set goals and objectives for the overall success of the Company. To ensure that set objectives are met, managers must create and implement regular monitoring systems for Operations and work processes. Conclusions should be drawn and implemented by the Company.

05 Savings and efficiency

All employees must strive for effective and efficient performance, and continuous improvement; and to save or prevent waste (either physical or in terms of time/resource).

06 Teamwork

Collaboration and mutual support between various departments is essential. Managers should encourage teamwork whilst leveraging individual strengths.

07 Training and personal development

The Company should train, develop and empower employees, providing them with required knowledge and promoting their individual strengths. Employees' training and studies should be conducted in accordance with the Company's needs and professional requirements. Any lack in professional knowledge is expected to be proactively communicated and raised by the employee with his/her manager. In addition, Amiad shall inform, and (where appropriate) train, its suppliers about the Company's professional needs and requirements.

08 Organizational learning

Amiad promotes an atmosphere that encourages learning - from both successes and failures. Errors or mistakes by either manager or employee should be reported immediately to the person in charge. A manager or employee who is unable to perform a certain task must inform the person who assigned them the task, or any other relevant person in charge. A manager or employee who acted in good faith, in accordance with the law, Company's policies and administrative guidelines and within the spirit of the Code of Conduct, shall receive full support in the event a honest mistake was made.

09 Sharing knowledge

Amiad shall encourage and promote the sharing of knowledge and the intra-organizational processes and mechanisms to facilitate this. Managers and employees are committed to pass and share necessary, relevant information with other employees for the purpose of performing their duties and, in turn, support the overall success of the Company.

10 Recognition and appreciation of excellence

Acknowledge employees' who are consistently striving for excellence or performing beyond expectations, and give credit to all participants who have contributed towards successes.

11 Representation

All employees are expected to act and behave in a respectable manner as part of their overall general conduct. Employees must maintain a presentable appearance, and ensure any verbal or written communication is conducted with respect, on the Company's premises and sites, including in correspondence online such as via e-mail and social networks.



Creating and maintaining a safe & fair working environment

Notwithstanding its expanding business and Operations, Amiad is a company composed of individuals. Therefore, fair treatment, equality, respect and tolerance for each and every employee, manager and individual are promoted in daily Operations. Ethical conduct enhances partnerships at work and strengthens the Company as a whole.

The responsibility of Amiad's managers and employees

01 Compliance with the law and procedures

Adherence to the law, Company's policies, values and procedures. Refrain from actions not in accordance with the aforesaid. Managers at Amiad should encourage Discussion regarding proper conduct. It is the duty of managers and employees to report any behavior that is illegal, or which does not promote Company's values, procedures and its Code of Conduct, to the Ethics Compliance Officer.

02 Safety, hygiene and health

Adherence to the law and to the Company's policies regarding safety, hygiene and health. The Company is obligated to guide, train and authorize all of its employees, including contract employees and anyone entering its premises, with its safety procedures in accordance with the laws. Every employee is obligated to report any violations, "close call" instances, hazards and accidents of this nature to the Company's Safety Officer.

03 Respect and tolerance

Respectful and tolerant behavior towards other employees, managers and Company's stakeholders. Employees' opinions may be expressed while maintaining the appropriate language, in respect to professional and personal matters, via any relevant communication channel, including e-mails and other digital Media.

04 Equality and prevention of Discrimination

Equal treatment of others avoiding any Discrimination on grounds of age, sex, religion, sector, gender or sexual orientation. Company.

05 Good working environment

Within any of the Company's spheres of activity, physical or verbal abuse and any behavior unbecoming a workplace is prohibited. Harassment by any individual in the Company should be reported to Human Resources or the Ethics Compliance officer.

06 Prevention of sexual harassment

Sexual harassment is prohibited. Company policy relating to this issue is published and publically displayed on Company's bulletin boards. An employee who believes they have been harassed is encouraged to report the incident to the Sexual Harassment Prevention officer in the Company's Human Resources Department.

07 Human rights

Amiad's employees and managers act in accordance with accepted international standards in respect of human rights. A violation or suspicion of violation of human rights, must be immediately reported to the Ethics Compliance officer.

08 Contractors' employees' rights

Employees and managers are obligated to protect the working conditions and rights of contractors' and their employees who work with Amiad in accordance with the law. Amiad requires its contractors to adhere to the law and their contractual obligation towards Amiad. Contractors' employees are encouraged to report any violation of their rights to the Employees Rights Officer at Amiad and their employer. It is the duty of every employee to report any violations of these rights.

09 Employee privacy

Employee's privacy should be respected by managers and employees alike who should treat private information about employees with sensitivity in accordance with the Company's bylaws, policies and legal requirements.

10 Promoting employees

In caring for its employees, Amiad aims to promote employees in accordance with Company needs, individual skills and qualifications in a manner which is practical and is in accordance with objective criteria.

11 Employee assistance

Amiad strives to assist employees in times of need, crisis, illness or injury.

12 Dignified retirement

Amiad shall conduct respectful farewells for departing or retiring employees.

13 Balance of work/leisure times

Managers shall allow employees to maintain a proper balance between work and leisure time. When needed, managers and employees shall assist in completing urgent projects or tasks on behalf of others – even beyond standard working hours.



Honesty and fairness in business activities

Amiad strives to create added economic and stakeholders' value, adhering to the law in Israel and in countries in which it operates. The Company promotes ethical behavior, based on integrity and transparency, thus reducing risk, creating trust and promoting long-term success.

The responsibility of Amiad's managers and employees

01 Fairness in business relationships

Act fairly in business relationships with clients, suppliers, partners, competitors, shareholders and Company employees.

02 Intellectual property and trade secrets

Company's patents, trademarks, copyrights, trade secrets and intellectual property are the sole property of the Company. Managers and employees shall act responsibly to retain, safeguard and protect these assets.

03 Transparency and reporting

In accordance with the law and the Company's policies, it is the duty of the Company's managers and employees to ensure all business-related internal records and book-keeping shall be correct, complete and precise. They are committed to comprehensive and transparent reporting of official records and documents to the relevant authorities. Information in respect to employees' rights and obligations shall be transparently conveyed by the Company.

04 Respect of contractual and payments obligations

Honoring signed contracts and agreements with clients and suppliers, adhering to financial terms and conditions, signed by the Company.

05 Preventing conflict of interest

A conflict of interest occurs when personal interests of a manager or employee run contrary to the Company's interest. Managers and employees should avoid any conflict of interest with the Company's affairs. Any employee suspecting a conflict of interest, or one in which their own interests appear to contravene those of the Company, or learning of a conflict of interest (or a potential one) is to consult or report, as the case may be, to the Ethics Compliance Officer authorized to perform the required actions.

06 Preventing bribery and corruption

Refrain from giving bribes and involvement in corrupt business practices. In relation thereto, refrain from giving or receiving anything of value to/from an employee in other organizations of any kind, which might improperly influence professional and independent Discretion, and decisions; or have an adverse effect and obtain, hold or secure an unfair competitive advantage; or in order to speed up processes that might affect the stages and the integrity of proper business and administrative processes and transactions.

07 Protection to whistleblower

Any employee may report an actual or suspected act of corruption to his/her direct manager or any manager in at least the same level of the direct manager, to HR VP, the Legal Counsel or to the Ethics Compliance Officer. Any employee may request that his/her identity shall remain confidential, and his/her detail shall remain so during the investigation of a report. Amiad shall protect any of its managers or employees who may be exposed to or alert of acts of corruption. Company employee will not be at the risk of losing her/his job or suffer loss in any other manner as a result of reporting under this Policy. For advice regarding the proper or prohibited course of action in these matters, the manager and/or the employee should contact the Ethics Compliance Officer.

08 Giving and receiving token gifts when conducting business

Giving or receiving gifts or favors is strictly prohibited. Employees are entitled to give or accept customary business courtesies, while reporting this to the Ethics Compliance Officer, all in accordance with the Company's policy on the matter. Employees may accept gifts of nominal value, such as small promotional items bearing the name of another company, as is customary to offer to others who have similar relationships with clients or suppliers. When in doubt about a specific situation, employees should consult with the Ethics Compliance Officer.

The responsibility of Amiad's managers and employees

(continued)

09 Safeguarding the assets and property of the Company

Amiad's managers and employees are committed to safeguarding and strengthening the Company's assets and property, material assets (products, parts, packaging, and other equipment), goodwill assets, financial assets, intellectual property and any other asset against damage, theft and loss. Company assets and property should only be used for their intended purposes and in accordance with the guidelines. Any other use of Company assets or property should be avoided, unless permission to do so has been given by the responsible entity.

10 Inside information

Inside information should only be used in accordance with Company policies maintaining the Company's confidential information. Furthermore, managers and employees shall refrain from buying, trading or selling securities of the Company while they have access to such information, and without obtaining explicit permission in advance according to Company's policies. Managers and employees of the Company shall refrain from actions that involve the exploitation of inside information, or the reliance on inside information that is not public, for any purpose, without having been permitted to do so. In addition, no business information or expert opinions related to the affairs of the Company, and that may harm the Company or its stakeholders, may be transferred.

11 Information security

Amiad shall ensure security of information through the application and integration of appropriate measures for this purpose. Managers and employees are to act in accordance with instructions from the appointed entities in charge of this area, protecting the Company's information systems against any damage, destruction, theft and to prevent access, Disquelosure, or unauthorized or improper use of systems.

12 Contact with external entities

No contact shall be made with external entities, or response to requests on matters of Company policy, inter alia in respect of pricing policy, terms of agreements, costs, inventory, sales plans, marketing and products, production plans, production capabilities and any proprietary or other confidential information unless the manager or employee is authorized to do so, and only within the framework of such authorization. Requests for such information about the Company from external entities are to be referred to the Company's CEO, CFO or the Company Secretary.

13 Relationship with suppliers

Engagement with suppliers should be based on relevant professional considerations and matters that reflect the best interests of the Company. Amiad shall strive to train and teach its suppliers about the Company's quality and standards requirements. Amiad shall strive to maintain long-term relationships with its suppliers and assist them, as far as is practicable, during times of crisis.

14 Fair competition

Promoting the Company's products and services, while maintaining fair competition; by focusing on the benefits and strengths of the Company and not by slandering the competition.





Promoting the community and the environment

Although a global company Amiad is conscious of its origins, history and the responsibilities that this entails. Amiad creates regional economic development and employment opportunities for residents of neighboring communities and the communities in which it operates. Amiad invests in the community in which it operates through a variety of social aspects and, through diversified channels, takes measures to reduce its environmental impact and footprint.

The responsibility of Amiad's managers and employees

01 Supporting and investing in the community

To promote social activities for the benefit of the population and different sectors. Contribution to the community shall be made in accordance with the Company's policy in this field.

02 Local economic development

In accordance with the desire to support local economic development Amiad shall, in the first instance and only where reasonable, look to local suppliers and service providers from the area of the Company's sites.

03 Compliance with the field of environmental law

Amiad operates in accordance with regulations relevant to the Company and laws pertaining to Environmental Safety and Protection. The Company's Environmental Management Officer should be contacted if there is suspicion of violating an environmental law or regulation.

04 Reducing environmental impact

The Company acts towards implementing and adapting voluntary environmental standards in its Operations which, in turn, contribute towards reducing the environmental impact of its Operations.

Glossary

01 Foreign factor

An individual who is not subject to employer-employee relations with the Company, including analysts, journalists, shareholders, institutional investors, the investor community, government authorities, the public at large and the Média.

02 Sexual harassment

Sexual harassment is any of the following: making threatening demands of a sexual character, committing indecent acts, repeated proposals of sexual nature, recurring remarks that focus on a person's sexuality, publication of a photograph, video or recordings of a person focusing on a person's sexuality and degrading or humiliating treatment relating to a person's sex or sexuality, including a person's sexual tendency. These may be made in writing, orally and/or by visual or auditory exhibit, including by means of computer.

03 Human rights

A person's basic rights (natural, political and social). In the context of the workspace in organizations and the Code of Conduct, the relevance is primarily concerning the basic rights of any person (freedom of religion, movement, free speech and more) and the organization making sure that these rights are not denied by its activities.

04 Integrity

Consistent behavior in view of principles, ethical and moral values. Behaving honestly, fairly, while respecting others; reporting the truth; abstention from misleading and deception in any presentation of information.

05 Stakeholders

Persons or groups (employees, customers, suppliers, community, environment, etc.) that may affect the organization or its activity or be influenced by them at different levels.

06 Confidential information

Information that is related to the Company, its activities, products or business affairs that is not public. Confidential information includes commercial secrets that are information where secrecy grants the Company a business advantage over its competitors or that may assist the competitors of the Company or where Disclosure may damage the Company, its customers or suppliers. This information includes business plans, work procedures, research and development plans for new products, objectives, strategy, records and ledgers of the Company, databases, information on payroll and benefits, medical information on employees, lists of customers, employees and suppliers, and financial information or information on pricing that are not public.

07 Inside information

Material non-public information about the Company or its activity or customers that may affect the price of shares or other securities of the Company.

08 Conflict of interest

A state in which personal interests, whether material, social or other, clash with interests of the Company and may cause a state in which there will be action in contravention of the interests of the Company. An action in conflict of interests may occur when an executive or employee acts while having an interest that prevents them from performing their function objectively and effectively, or when they or their relatives get inappropriate personal benefits as a result of their status in the Company.

09 Values

An ideal or belief and conduct that a person or organization attempts to live by. Values are used as standards by which expectations are defined, behaviors are examined and results are judged. Values constitute the basis of ethical behavior in the organization.

10 Compliance

A function within the organization which aims to oversee the organization's or its employee's compliance with the provisions of the law, regulations and authorities that apply to the organization and to make sure that the activity of the organization is conducted thereby. As a rule, the field is managed by the Compliance Officer of the organization.

11 Intellectual property

This definition can include copyrights, patents, trademarks, model rights, logos, trademarks and trade names, drawings, information and data concerning products and technologies of the Company and know-how that the Company possesses.

12 Corruption

Abuse of authority in order to achieve benefits or personal gain.

13 Bribery

Money, benefit in kind or other benefit, which is given in order to influence an action, abstention from action, expediting or slowing an action, preference of or Discrimination against an action, whether in favor of a certain action or in order to shift a bias in any way, whether in favor of an action of the individual taker or in order to influence another's action.

14 Transparency

Open, clear conduct concerning business behavior (of executives and employees in an organization or throughout the organization) and concerning information on the organization towards its various stakeholders. This is in accordance with the level of transparency that is relevant to the stakeholders.

15 Corporate social responsibility

Corporate responsibility is a strategic management approach of the organization, which examines its effects on stakeholders: its employees, suppliers, customers, investors, environment and community in which it works, and advances in its activity the creation of value that is shared by the organization and these stakeholders, in order for them to continue to support its activity and advance its business affairs.

16 Sustainability

A process forming development that balances the economic, social/community and ecological/environmental aspects over time - development that provides the needs of this generation without impairing the ability of future generations to provide their own needs.

Dilemma-solving process

When doubt – there is no doubt. In such cases, we must stop and ask ourselves:



A guide to ethical decision making

Each of the persons operating on behalf of the Company assumes the responsibility to understand how to behave in accordance with this Code. Ethical dilemmas arise during the normal activity of an organization. To choose a solution that will support the values and rules set forth in the Code of Conduct, employees must ask themselves the following questions and make sure that the answers are consistent with the rules of thumb set forth below:

- ?** Does the option chosen run contrary to the basic rules of activity of the Company?
One must make sure that all activity in the Company will be in accordance with the basic rules of activity.
- ?** Does the option advance the goals and purpose of the organization?
The vision of the Company is the reason for its existence. An option, which supports our vision is to be chosen.
- ?** May the option chosen damage the image of the Company in the long term?
The course of action that advances the goodwill of the Company and the agents acting on its behalf must be preferred.
- ?** Is there another course of action that may put me in a more convenient situation?
A number of possible solutions should be examined. Creativity may change the results to a great extent and put us in a more convenient position.
- ?** In view of the option chosen, will the damage be proportionate?
If the ethical decision is correct according to my Discretion, but the damage is significant, another solution should be examined.
- ?** What would a person whom I appreciate or a supervisor think about the option that I have chosen? What tip would I give to my children in a similar case?
An option that will set an example to others and honor ourselves should be chosen.

The management of ethics at Amiad and the means of making contact and consultation

Should an employee or executive want to consult on any manner of ethics or has a dilemma, they should contact their supervisor or the Ethics Compliance Officer to consult them on decision making. **The Ethics Compliance Officer** is a functionary in the organization who is responsible for advancing the ethics field in the organization and who is a resource for employees with inquiries concerning ethical dilemmas in regular activity. He/she is the authorized party and the first point-of-call for inquiries on ethical issues. His/her function is to guide, advise and resolve problematic issues. The current officer should be accessible to inquiries from employees on any problem or dilemma that may arise. The course of action of the officer is co-Operation, so his/her activity will be based on clarifying the facts and laying down the proper action to be taken.

The Ethics Compliance Officer does not impose sanctions on employees, and if necessary is to refer the issue to the Legal Department or to the Chairman of the Auditing Committee. The Ethics Compliance Officer will ensure the anonymity of persons making inquiries, if requested, and will provide protection for corruption whistleblowers.



Headquarters

Amiad Water Systems Ltd.

📍 D.N Galil Elyon 1, 1233500 Israel

www.amiad.com

☎ +972 (4) 690 9500

📠 +972 (4) 814 1159

✉ info@amiad.com