



OPCENERGY
OPC ENERGY Ltd.

CODE OF ETHICS*

* Any interpretation attributed to any term included in this Code of Ethics (“**the Code of Ethics**”), relates to male and female employees in the Group (as that term is defined in the Code of Ethics), including when it is used for purposes of convenience only in the masculine form, and it shall be applicable in the plural even when drafted in the singular form, and vice versa.

A Introduction



1. General

- The Code of Ethics has been formulated by OPC Energy Ltd (“**the Company**”) in order to consolidate the principles and values of the Company and its subsidiaries (“**the Group**”) in a document that shall serve as a guide for the conduct of the Group’s employees, while forging standards that shall contribute to the creation and preservation of an organizational culture that is consistent with the Group’s values.
- The Code of Ethics is not intended to replace the law, the regulations or the directives, and does not therefore derogate from the relevant binding statutory provisions or provide a binding interpretation of the various statutory provisions.
- The Code of Ethics constitutes an integral part of the Group’s disciplinary rules which apply to all Group employees and officers in the Company, each of the decisions of whom must be taken in accordance with the Code of Ethics.
- Since the Code of Ethics, including the Group’s directives regarding the various subjects,

were not compiled in a way that encompasses all possible situations in which employees may find themselves during their work, Group employees are expected to act in accordance with the spirit of the principles enumerated in the Code of Ethics, which constitute a compass for conduct in the Group, to exercise discretion and do the right thing, while taking responsibility.

- If there are doubts regarding the meaning of any provision in the Code of Ethics, the legal department should be consulted.
- The Code of Ethics is a statement of general policy principles which relate to the Group’s activity and values. The Code of Ethics is not intended to and does not create any rights for any employee, customer, supplier, competitor, shareholder or any other person or entity.

2. Preventing conflict of interest

- All officers, managers, and employees in each company within the Group (“**the employees**” or “**Group employees**”).

B The Code of Ethics' fundamental principles and core values



1. Compliance with the law

- **The group is obligated to strictly comply with the laws, regulations, and directives** that are binding and relevant to its field of activity.
- **The employees must comply at all times with the requirements of the law or regulations.** The employees under any circumstances shall not assume that they may violate any law or regulation within the framework of performing their tasks in the Group, and they are expressly prohibited from doing so.
- **For any legal question, the employees must consult with the legal department.** Group employees must be aware that unlawful activity on their part within the framework of their position in the Group may also impose liability on others, including on the Group and/or on any of its employees and/or officers.



2. Preventing conflict of interest

- **Group employees are required to perform their jobs with the sole purpose of ensuring the good of the Group** and to act and disclose to the Group's management forthwith any case in which a conflict of interest or personal interest exists in a transaction or other action of the Group, in accordance with the principles set out in paragraph 9 of this Code of Ethics.
- **Group employees shall not perform any other private activity** during the period of their employment with the Group, whether for remuneration or not, without obtaining the Group's prior written consent.
- **Prohibition on receiving benefits** - Group employees are prohibited from receiving benefits of any kind from third parties in matters related to their work or position, including from the Group's related business entities, with the exception of symbolic gifts, which are an accepted feature of activities with commercial entities of this type.
- **Appropriate use and preservation of the Group's assets** - The group ensures responsible use of the Company's resources and strives to optimally advance the group's interests. The Group's employees are therefore expected to use the Group's assets to further the Group's interests, and to display the same degree of respect towards the assets as they would towards their private assets.



B The Code of Ethics' fundamental principles and core values (continued)



3. Integrity, trust and fairness in business

- **The Group makes sure to conduct its enterprises fairly and honestly.**
- **The Group expects its employees to behave appropriately** towards their colleagues, and to refrain from any unlawful activity.
- **The relationships with customers, suppliers, and the Group's partners are crucial for maintaining the success of the Group's business activity.** The trust given by the Group's customers, suppliers and partners must be preserved, and with this object in mind the Group expects its customers, suppliers and partners to be treated with respect, honesty, integrity and fairness and that the Group shall behave towards them with transparency, all according to the circumstances.
- **The Group appreciates the importance of a free market** and is careful to observe and maintain the provisions of the Economic Competition Law, 5748-1988, including limitations on gathering information on competitors.*
- **The Company endeavors to contract business partners and third parties who adhere to fair, ethical business conduct** consistent with the provisions of the law. This includes a commitment to not engage in business with individuals involved in criminal activities.
- **Prohibition on giving benefits and prevention of bribery and corruption** - Employees are not permitted to give anything of value (a gift, payment of a bribe, etc., including on behalf of the Group) to any person in order to ensure that he acts in a way that benefits the Group or his own interests. It is permitted to give token gifts as is customary, subject to their approval in accordance with the Group's protocols and the enforcement plans which have been adopted by the Group.
- **The Group is careful not to abuse its power and position** and to act fairly and respectfully to every person, regardless of his status.
- **Confidentiality** - The Company regards the maintaining of confidentiality as an important principle, including having regard to the fact that the Company is a public company. Group employees are obliged to keep confidential all information which comes into their possession within the framework of their job in the Group, regardless of whether it originates from within the Group or from third parties, including the Group's business and commercial secrets.
- **Reports** - The Company takes care to act transparently and to ensure the accuracy of reports, including in line with its status as a public company, which obliges the Company to maintain a standard of disclosure in accordance with the disclosure requirements which apply to it as a public company. Hence the Company has adopted the policies, processes and controls required to ensure compliance with its disclosure obligations and each employee must be familiar with and implement the instructions in the Group which apply to him, having regard to his position in the Company. In this regard, without derogating from the applicable confidentiality obligations and according to the circumstances of the case, every employee who within the framework of his job is required to provide information, must do so in a full, accurate and comprehensive manner.

* With the changes required according to the circumstances of the matter, and the applicable law

B The Code of Ethics' fundamental principles and core values (continued)



4. Respecting others

- The group advocates inclusion, trust, respect, deferential and honest behavior.
- The Group endeavors to act honestly, responsibly, faithfully and without favoritism, while maintaining the dignity of and respect for others. Group employees shall behave in a manner befitting their status, position and obligations towards the Group.
- Employees must respect, act politely towards and be receptive to the identity and opinions of their colleagues, customers, regulators, suppliers or contractors.
- Employees must respect diversity and give other employees a chance to express themselves.
- The privacy of employees and business partners must be respected.
- The Group is committed to protecting and respecting the rights of its employees wherever it operates. No type of discrimination or harassment shall be permitted. These activities are illegal and incompatible with the work environment that the Group seeks to create.
- The Group supports equal opportunities for all its employees without distinction or discrimination.
- The Company is obliged to provide its employees with a “sanitized” work environment, free of threats, violence and harassment. The Group will not tolerate any form of violence.
- The rights of contractors' employees must be respected as well as the rights of the employees of the Group's service providers and these people must be treated with respect, courtesy and honesty.



5. Responsibility, excellence and continuous improvement

- The Group's success is dependent upon on the skills, diligence and dedication of its employees and therefore the Group regards them as its most valuable asset.
- The Company strives and encourages Group employees to discharge their duties and provide their services in accordance with professional standards and solely in reliance upon substantive considerations, and to maintain, in so far as possible and to the best of their ability, their professional aptitude in accordance with the requirements for fulfilling their positions.
- The employees shall always be considered responsible for their activity or lack of activity, for their performance and the manner in which they achieved the Group's goals, and they are expected to strive to be the best at all times.
- The Group works with suppliers and customers on the basis of professional criteria, which encourage quality, fairness and professionalism, having regard to the nature of the Group's activity as a leading producer in the energy market.



6. Safety, health, community, governance and environmental protection

- The lives and health of the employees, including their quality of life, are one of the Group's most important priorities, therefore the Group endeavors to manage its enterprises while safeguarding the health and safety of its employees and the community in which the Group operates.
- The Group attaches importance to maintaining safety in its facilities having regard to the nature of its activity and ensures that appropriate instructions and directives are prescribed. The employees must carry out their work carefully, since nothing can justify risking life. Violating safety procedures puts everyone in harms way.
- The Group attaches importance to maintaining a dialogue with members of the various communities in its area of activity and to the implementation of plans and projects designed to improve their quality of their lives while respecting their culture.
- The Group ensures that its activity is conducted while protecting the environment and natural resources and complying with all the relevant law and regulations.
- Having regard to the activity of the Company, which is numbered amongst the most prominent electricity producers in Israel, the Group attaches importance to the continuity and availability of its activity, as an activity that provides basic and essential services to the community.
- The Group respects the various regulators, including the regulatory bodies which operate in the Group's field of activity.
- The Company prohibits the existence of political activity and the use of the Group's facilities for this purpose. Nothing in the foregoing derogates from the fact that the Company respects and adheres to the right of each employee to hold a personal political opinion.

C Methods of contending and reporting for optimal implementation of the Group's principles and core values

1. What should you do in the event of a discrepancy between the policy of the Group companies and a binding law or regulation?

Compliance with the requirements of the Group's policy and protocols ("**the Group policy**") constitutes part of the employees' obligations. However, in the event of a discrepancy between the Group policy and/or the Code of Ethics and a binding law or regulation, the employee must act in accordance with that law or regulation, unless:

- **The Group policy prescribes a stricter standard of conduct than the law or regulation, and**
- **Compliance with the requirements of the Group policy does not involve a violation of the law or regulation, despite the contradiction between them**

in which case the employees should act in accordance with the Group's policy.

If you are aware of a discrepancy between a law or regulation (even if they are not binding) and the Group's policy, including this Code of Ethics, you must inform your supervisor and manager of this.

2. What should you do in the event of a discrepancy between this Code of Ethics and the Group policy?

Should there be a discrepancy between the provisions of this Code of Ethics and the provisions of the Group policy, or a contradictory instruction of the CEO and the Group's legal advisor (**legal advisor**) you should contact the legal advisor in order to obtain clarifications.



C Methods of contending and reporting for optimal implementation of the Group's principles and core values (continued)

3. Do rules exist through which you can determine what amounts to correct conduct?

It is very difficult to prescribe general principles which cover all possible situations in which you may find yourself during your work. At the same time, we have included below a list of general principles that shall serve as your guide, even when no specific practice directions exist for a given situation. Should you be unsure regarding how to act in a certain situation, remember that the ethical guidelines can be concluded with the help of three basic questions relating to the conduct which you should choose:

- **If the circumstances were reversed, would you want others to treat your rights, money or property in the same way in which you treat their rights, money and property?**
- **If the public was to examine your conduct and to learn all the circumstances of the case, would it regard your conduct and the conduct of a company in the Group as appropriate, honorable and reasonable?**
- **Could the chosen course of action harm the Group's reputation and status?**
- **If you are in doubt regarding how to act in a certain situation, you must consult with your supervisor and the manager.**

4. The "Hotline" reporting procedure

- **The Group companies shall treat any violation of the law and regulations, this Code of Ethics, or any Group policy or protocol (the Group policy) very seriously.** Therefore, any such violation may result in the taking of disciplinary measures including dismissal, subject to the provisions of the relevant law.
- **The provisions of the Group policy and of this Code of Ethics constitute part of the terms of the employment contract of every person employed by a company in the Group,** and any failure to comply with those provisions shall be regarded as a serious breach of the obligations derived from the terms of that employment contract.
- **Immediately upon coming into possession of it, Company employees are required to report information concerning a violation of the Code of Ethics** by a Company employee to the Code of Ethics Supervisor.
- For this purpose, **the Group runs a "hotline"**, which enables a complaint or consultation request to be filed or consultation to be sought, inter alia, regarding a possible deviation from the Code of Ethics or any other policy document of the Group. For access details, see Appendix A to this protocol.

5. The Code of Ethics Supervisor

- The Company's Management has determined that **the person in charge of activating and implementing the provisions of the Code of Ethics in the Company shall be the Company's VP and CLO.**



Appendix A

Ways to access the “Hotline”



The Group is committed to creating an environment in which open and honest communication exists with the Supervisor or with the Management, in cases where we believe that there has been a violation of the Policy or the Company’s accepted rules.

We encourage you to submit reports regarding violations specified in the Group’s Code of Ethics, to ask for instructions regarding policies and procedures, and to even make suggestions.



Access is currently made through the following website:

<https://opc.ethics-hotline.co.il/>

The reports reach the Chairman of the Audit Committee and the VP and Deputy Chief Legal Officer.

For the avoidance of doubt, it is clarified that nothing in the foregoing shall preclude making contact and reporting through other communication channels such as:



A conversation



By email to:

nurit.traurik@opc-energy.com



A letter sent to the following address:

**121 Menachem Begin, Tel Aviv, OPC Ltd, 40th Floor
(For the attention of the Chief Legal Officer)**



By telephone:

054-2348106, 073-250-5635

For full details, see the Group Hotline Protocol.

The Hotline is the conduit which ensures that your reports shall reach the right party, for the purpose of examining, processing and responding to them.

Kindly note that the “Hotline” is operated by a third party, Target Systems Ltd., which is responsible for its operation and providing access to the relevant parties with respect to data that was sent. OPC has no control over Target Systems Ltd’s systems and/or servers, is not responsible for their operation, and undertakes not to try to bypass the system’s protections.