

Israel Natural Gas Lines Ltd. The Ethical Code for Contractors and Suppliers

1. Introduction

Israel Natural Gas Lines Ltd. (hereinafter: "**the Company**") is a governmental company holding the license to construct and operate the national natural gas transmission system, a project of great importance to the Israeli economy due to its vast contribution to economics, industry and quality of the environment.

The Company acknowledges the importance of the relation and partnership with its contractors and suppliers, and regards them as essential factor to achieving its goals.

The purpose of this ethical code is to delineate the basic principles for the Company's contractors' and suppliers' behavior, in relation to integrity, fairness, respect, avoiding concern for conflict of interests and confidentiality. Operating in accordance with the ethical code shall strengthen the business relationships between the Company and its contractors and suppliers and shall contribute to the parties' collaboration as well as the success of the task at hand.

For the avoidance of doubt, it is hereby clarified that the code applies to anyone acting on behalf of the Company's contractors and suppliers, including their employees and subcontractors, vis-à-vis the Company, its employees and anyone acting on the Company's behalf. Accordingly, the Company's contractors and suppliers shall be responsible for bringing the content of the code to the attention of anyone acting on their behalf and for taking all the measures required in order to ensure that they shall carry out the provisions of the code.

The ethical code applies in addition to the provisions of the contract between yourselves and the Company and shall not be interpreted as derogating therefrom. It is additionally clarified, that certain matters specified in the ethical code are regulated by statutory provisions, the violation of which carries severe penalties.

2. Integrity, Fairness and Respect

In order to establish trust and partnership with the Company, you are hereby required: to act towards the Company with personal and professional integrity as well as morality; to act with a fair, transparent and practical manner towards the Company; to treat the Company's representative with whom you are in professional contact, respectfully, cre-

ate a fair and deferential dialogue and operate to resolve disagreements in a manner agreed upon the parties.

It is hereby clarified that the Company shall deem any deviation from the rules of integrity and morality as acute and severe, and shall use all legal measures against anyone who shall be found acting in such deviation.

3. Conflict of Interests

- 3.1 You are hereby required to avoid any conflict of interests with respect to the services provided by you to the Company, and to avoid any contact which could potentially create concern for conflict of interests.
- 3.2 Should you become aware of the existence of concern for possible conflict of interests, you are hereby required to inform the Company immediately in order for the Company to examine its nature.
- 3.3 Without derogating from the generality of the foregoing, you are hereby required to divulge to the Company, prior to entering into contractual relations with the Company and during the term of the these relations, any information concerning -
 - a. Your being holders of securities, directors, role holders or having a business relation with a corporation that is a client, supplier, competitor, supervisor or other entity related to the Company, in a manner creating or might create concern for conflict of interests;
 - b. Other positions and/or duties of yours, which might harm your ability to perform your duty of providing services to the Company.
- 3.4 You are hereby required to avoid soliciting and/or collaborating, directly or indirectly, with anyone on behalf of the Company and/or any other party, in order to -
 - a. Receive information regarding a preliminary process for entering into a contract with the Company and/or any agreement and/or an order deriving therefrom, other than in the manner stipulated in the procedure of request for offers or in the instructions for contracting with the Company;
 - b. Set prices in an artificial and/or non-competitive manner.
- 3.5 You are hereby required to avoid representing any party against the Company and/or in a proceeding of any kind which the Company is involved in, pertaining the particular matter in relation to which you performed services for the Company, unless you shall receive the Company's prior and written consent, which may, at its sole discretion, decide whether your doing so does or does not entail a conflict of interest.

4. Benefits

- 4.1 You are hereby required to avoid offering / giving / receiving / requesting, directly and/or indirectly, prior to, during or after the conclusion of your contractual relationship with the Company, for yourself and/or for another person and/or for your businesses and/or the business of other party, any benefit, including recommendation and/or decision and/or right and/or money and/or anything valuable in relation to the Company and/or anyone on its behalf.
- 4.2 Notwithstanding the foregoing, an offer or benefit shall be permitted in the following cases or events, provided that they shall not be given in order to influence integrity, incorruptibility and good governance: an infrequent, minor / symbolic gift which its worth is up to NIS 200, such as: a calendar given on a national holiday, a retirement gift or a meal at a conference you have organized.

5. Job Offers to the Company's Employees

As long as you are engaged with the Company, you are required to avoid offering to the Company's employees to work for you or for a third party. Should you nevertheless do so, any former employees of the Company employed by yourself shall withheld from executing services related to the Company for at least a year, and the Company shall additionally be entitled to terminate its contract with you immediately, according to the circumstances and subject to the law. The Company shall take severe measures in cases where such an offer is made in order to influence the employee's discretion.

6. Kinship

- 6.1 You are hereby required to divulge to the Company all the information in your possession regarding any kinship of anyone on your behalf and any of the Company's employees and/or anyone on its behalf.
- 6.2 Should you have kinship to any of the Company's employees and/or anyone on its behalf, you must avoid acting directly in conjunction with your relative when an agreement is being negotiated with you or during the provision of your services.

7. Confidentiality

- 7.1 You are required to keep confidential and not to transfer, pass on or bring to the attention of any person, directly or indirectly, at any time, including after the conclusion of your contractual relationship with the Company, information and documents relating to the Company and the contractual relationship with it (hereinafter: "**the Confidential Information**"), that shall come into your possession, unless the aforementioned information and/or documents are common knowledge or were given to you in order for you to pass them onto a third party for the purpose of providing the services specified in your contract with the Company.

- 7.2 The provision of your services for the Company may not be publicized without the Company's prior written authorization.
- 7.3 Since the Confidential Information belongs exclusively to the Company, you may not duplicate it in any manner without prior written authorization.
- 7.4 Upon termination of your contractual relations with the Company or immediately upon receiving the Company's initial demand, you must return to the Company any information, document and material in your possession and/or in the possession of anyone on your behalf, which belongs to the Company and/or contains the Confidential Information, regardless of whether it had been prepared by the Company and/or anyone on its behalf and/or by yourselves.
- 7.5 No information, document or material containing the Confidential Information may be removed from your premises without the Company's prior written authorization and subject to the conditions specified in the aforementioned authorization.

8. Reporting a Breach of the Ethical Code

If you wish to report a possible breach of this code, you may apply to your main contact person in the Company, to the Company's CEO, Internal Auditor or Legal Advisor. Insofar as possible under the circumstances, the Company shall keep the confidentiality and anonymity of the reporting person.