



OPC ENERGY Ltd.

Code of Ethics

Preamble

1. *How to read the Code of Ethics?*

Any interpretation attributed to any term included in this Code of Ethics (“the Code of Ethics”), refers to male and female employees even when in the masculine, and shall apply in the plural even when the wording is in the singular, and vice versa.

The Code of Ethics has been drawn up by the Group in order to bring together the Group’s principles and values in a document that will serve as a guide to how you conduct yourself. It is not intended to replace the law, regulations or procedures, and has not been drawn up to include every possible situation in which you might find yourself during your work.

You should read this Code of Ethics carefully, and if you have any doubts on how to act in a given situation, or if in your opinion the procedures presented are unclear, you must inform your direct superior (“Superior”) or the area or department manager to which you belong (“Manager”). If you become aware of activity that violates this Code of Ethics, you must inform your direct Superior or Manager and/or the Company’s CEO (“CEO”).

If you have doubts concerning interpretation of any provision included in this Code of Ethics, please consult with the Legal Department.

2. *Who is obliged to comply with the requirements of this Code of Ethics?*

All managers, officials and employees of every subsidiary of OPC Energy Ltd (“the Employees”) are obliged to comply with the requirements of the provisions of this Code of Ethics.

3. *What is the significance of this Code of Ethics?*

OPC Energy Ltd (“the Company”) and its subsidiaries (referred to henceforth as “Group Company” and jointly as “the Group”) will look very seriously upon any violation of the law, regulations and this Code of Ethics, or any other Group policy or procedure (“Group Policy”). Accordingly, any such violation is likely to lead to disciplinary action including dismissal.

Basic rules

4. *What should you do in the event of a contradiction between the Company's Policy and an applicable law or regulation?*

Compliance with the requirements of the Group’s Policy and Procedures is part of the obligations of Employees. At the same time, in the event of a contradiction between the Group’s Policy and/or this Code of Ethics and a law or regulation, it is obligatory to act in accordance with the law or regulation. At the same time, you must act in accordance with the Group’s Policy, even when the matter is in contradiction to an applicable law or regulation, when:

- (A) The Group's Policy sets a stricter standard of behavior than in the law or regulation, and
- (B) Compliance with the requirements of the Group's Policy do not involve a violation of the law or regulation, notwithstanding any contradiction between them.

If you are aware of any contradiction between a law or regulation and the Group's Policy, including this Code of Ethics, you must report it to your Superior or Manager.

5. *What you must do in the event of a contradiction between this Code of Ethics and the Group's Policy?*

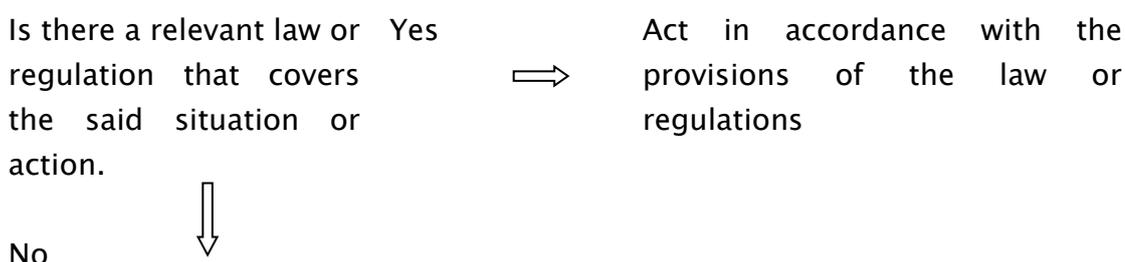
In the event of a contradiction between the provisions of this Code of Ethics and any provisions of the Group's Policy, the provisions of this Code of Ethics will take precedence, unless the Group's Policy that is in contradiction stipulates the opposite, or if there is a contradictory instruction of the Company's CEO and Legal Counsel ("Legal Counsel"). You must inform the Legal Counsel if you are aware of any such contradiction.

6. *Are there rules for determining correct behavior?*

It is very difficult to establish general principles that cover every possible situation you might encounter during your work. At the same time, below we have brought together a list of general principles that can serve as a guide, including where there are no specific procedures for a given situation. If you are in doubt about the way to behave in a given situation, remember you can summarize the ethical guidelines using two basic questions about what behavior to select:

- If the circumstances were reversed, would you want others to deal with your rights, money or property in the same way you deal with their rights, money or property?
- If the public was to examine your behavior and were to study all the circumstances of the case, would the public see your behavior and that of the Group Company as correct, honorable and reasonable behavior?

The following table shows the process that should be adopted when you believe that you are facing an ethical dilemma:



Is there a Group Policy, procedure or instruction stipulating how to act in the said situation or activity?
Yes \Rightarrow Act according to the Company's Policy, procedure or instruction
No

Does the Code of Ethics instruct how to act in the said situation or activity?
Yes \Rightarrow Act according to the provisions of the Code of Ethics
No

And you are still not sure how to act

Consult with your Superior and with the Manager

If you are in doubt about how to act in a given situation, you should consult with your Superior and with the Manager.

The following chapters include a description of how the Group implements the general principles and the various areas of activity.

7. *On which principles and values is the Code of Ethics based?*

This Code of Ethics is based on the following principles:

1. Compliance with the law
2. Fairness in business
3. Respecting others
4. Prohibition on harassment and discrimination
5. Correct use of the Group's assets and preserving them
6. Responsibility, excellence and constant improvement
7. Commitment to the safety and health of Employees or the community
8. Commitment to communities
9. Commitment to the environment

1. Compliance with the law

The Group obeys all the laws, regulations and procedures relevant to its area of operations.

Employees are obliged at all times to comply with the requirements of all laws and regulations. Employees may not assume under any circumstances that they may violate any law or regulation as part of carrying out their tasks within the Group, and there is an explicit prohibition for them to do so. If you do not understand a law, you should consult with the Legal Department.

2. Fairness in business

The Group's business must be conducted fairly and honestly. The Group expects its Employees to behave correctly towards their colleagues, and to refrain from any unlawful activity. Relations with the Group's customers, suppliers and partners are very important for the Group's business and to preserve the success of its commercial activity. You must retain the trust given by the Group's customers, suppliers and partners, and to this end the Group expects that customers, suppliers and partners will be treated with respect and honesty.

The Group's reputation is based on the trust that individuals, institutions, customers, partners and suppliers give the Group, and its reputation may be harmed by behavior or decisions taken based on day to day considerations by its Employees.

The Group honors its agreements, it acts in good faith and in fairness in how it conducts its affairs with others.

The Group values the importance of the free market and complies with all the legal norms protecting its existence. The Group does not besmirch its competitors, their products or their actions. Employees must be aware of the Group's Policies.

The Group does not do business with criminals. If you know or suspect that Group might do business with a person likely to be a criminal, you must report this immediately to your Superior and Manager or to the CEO.

Employees are not allowed to give valuables (gifts, payment of bribes etc) to anyone in order to ensure they act in a manner to benefit the Company, or his own interests. It is permitted to give small gifts as is customary, on condition they have been approved by the CEO of a company in the Group. A careful check is required of each gift to ensure that it is not in breach of the law against corruption.

3. Respecting others

Employees must respect, act politely and accept the various opinions of their colleagues, customers, regulators, suppliers and contractors, and they must act reasonably and fairly towards them.

We must respect the privacy of our Employees, therefore it is prohibited to disclose to an unauthorized third party any information likely to harm someone's privacy.

Employees must respect difference, give an opportunity to their Employees to express themselves, to be concerned for the welfare of others and to respect the need of Employees to their life outside of the Company.

4. Prohibition on harassment and discrimination

Employees must respect the cultural, ethnic, national, racial, sexual, religious or gender identity of each person with whom they come in contact. The Group will not tolerate any form of improper or discriminatory attitude towards another, based on the other's identity.

The Group is obliged to protect and respect the rights of its Employees everywhere it operates. It will not permit any form of discrimination or harassment. These actions are illegal, and in addition are incompatible with the working environment that the Group seeks to create.

The Group supports equal opportunities for all its Employees and candidates, without distinction or discrimination.

5. Correct use of the Group's assets and preserving them

Employees must at all times act in good faith and the interests of the Group. In any situation in which an Employee is faced with several possibilities of action, the Employee must choose the alternative that most benefits the Group's interests. Employees must protect and preserve the Group's assets ("the Assets"), including the completeness of its information, in any form, irrespective of the manner of its preservation, whether physical, magnetic or in some other way. To ensure this objective Employees must demonstrate respect towards assets to the same degree at least as they would to their private property. Inter alia, Employees must:

- Ensure that use of assets is efficient to advance the Company's interests
- Invest maximum efforts to prevent theft, negligent handling or waste of assets, and inform their Superior of any breach of safety, improper handling or fraudulent act related to the assets.
- Not to use assets and equipment belonging to the Group, including information, for private use, unless explicit approval has been received to do so.

- Use assets legally,
- Be responsible to protect assets (including materials, supply, information etc.). If you know that someone is taking assets or is using them improperly, you must report this to your Superior or Manager and/or to the CEO.
- It is only permitted to use the Group's resources or to pass them on after obtaining prior approval from the appropriate management team.
- Protect the Group's data security.

6. Responsibility, excellence and constant improvement:

Employees will always be considered responsible for their actions or lack of them, their performance and the way they achieve the Group's targets, and it is expected of them that they will always aim to be better. The Group seeks to encourage its Employees to excel and expects that the work they carry out, their progress and the service they provide will be better.

The Group is open to constructive criticism and suggestions for improvement.

7. Commitment to the safety and health of Employees or the community:

The health and lives of Employees are one of the highest priorities of the Company, and accordingly the Group conducts its affairs while protecting the health and safety of its Employees and of the community within which the Group operates.

The Group will not impair the safety standards it has adopted and distributed among the staff. Employees must carry out their work carefully, because nothing can justify endangering life. A breach of safety procedures puts everyone in danger.

8. Commitment to communities

The Group considers it important to maintain a dialogue with members of the community in the area of its operations and to implement programs and projects intended to improve their quality of life while respecting their cultures.

9. Commitment to the environment

The Company's business will be carried out while protecting the environment and natural resources by compliance with all applicable laws and regulations.

8. *Employees and the Group*

The Group's success is depends upon the skills, industry and dedication of its Employees, therefore from the Group's point of view they are considered its most valuable asset. Respect for the rights of others and of Employees is the basis for the Group's growth.

One must respect the rights of employees of contractor as well as the rights of employees of the Group's service providers, and they must be treated with respect, politeness and honesty.

Specific rules of behavior

9. *What should you do when your personal interests are or might become in contradiction with those of the Group.*

You must abstain in a situation in which your personal interest or that of one of your relatives is or might be in contradiction with the interests of the Group. At the same time, if such a situation arises, you must inform your Superior and the Manager in writing of any situation in which your personal interest or that of one of your relatives might clash with the Group's interests, and you must refrain from participating in decision taking or transactions related to a potential conflict of interests, unless you have received an explicit, written approval to do so from your Superior and the Manager. Similarly, if you are aware that an Employee is likely to find himself in a situation of conflict of interests, you must report this to your Superior and the Manager, who will be obliged to inform his superior and the CEO.

Below is a list of situations that represent conflicts of interests:

- Employees will never accept gifts, items without payment or a bribe from a third party in order to perform their work.
- Employees must not give gifts, benefits, exceptional reductions, or preferential terms to workers in the public or private sector or to their relatives.
- Employees are not permitted to do personal favors for the employee of another group or his relative, taking advantage of their position within that group.
- If a relative of an Employee is employed at a company that has commercial relations with the Group, this must be reported.
- Employees are not permitted to benefit personally from commercial opportunities that might arise as a result of their position within the Group.
- If an Employee negotiates with suppliers of the Group or with a third party to purchase goods and/or services for himself, he must pay the market price for the these goods or services, and he is not permitted to request a "discount" because of the Group's business.
- Any activity or action, except those carried out by the Employee as part of the Group, unless they have been approved by the CEO of a specific company within the Group. A Human Resources manager or someone who performs this function within the said company in the Group, must maintain a list of all additional employment activities of Group Employees that have been approved by the CEO.

10. *May you receive gifts?*

No, you are forbidden to receive gifts from a third party, unless these gifts are related to accepted commercial or industrial activity, if the value of these gifts does not exceed USD 200, or unless you have received written permission from the Manager.

11. *May I talk about my work?*

Information about the Group carried out by Employees of the Group and/or a third party employed for that purpose is the Group's property and as such is deemed an important asset. You are prohibited from disclosing information not in the public domain and which you obtained during or as a result of carrying out your work, and in particular and without limitation:

- (A) It is prohibited for Employees to discuss the Group's commercial plans, production processes, internal discussions or any commercial subject related to the Group, where there are people who are not Employees, consultants or advisors of the Group who can hear the conversation, or with another person where the Employee is uncertain that this person is authorized to obtain this sort of information, unless (1) the information is in the public domain, (2) presentation of this information is required under the provisions of the law or a regulation, (3) presentation of this information is necessary for the Employee to carry out his tasks, or (4) presentation of this information serves the interests of the Group. Employees are required to obtain permission from their Managers prior to disclosing information in situations described in (2), (3) and (4), unless the provision of this information is included in their jobs and they have received a general authorization to do so.
- (B) It is forbidden to transfer information in any manner (document, diagram, recording, recording equipment, computer file etc.) to anyone, when the Employee is not certain that the person is authorized to receive this information.
- (C) Employees are only allowed to talk to journalists, analysts and professionals in the capital market about matters related to the Group, or about a company in the Group, through a spokesperson authorized by the CEO.
- (D) In any situation in which an Employee is unsure if a certain person is authorized to receive information about the Group, he should consult with his Superior.

12. *What should you do to protect the environment and neighboring communities and to ensure safety in the work place?*

Employees must act reasonably to avoid exposing themselves or exposing other Employees of the Group, the environment or the community to risks in contravention of the regulations or the Group's safety and environmental policy, and they are especially obliged to comply with the requirements of the regulations in respect of safety, environment and health as defined in law, in the regulations or those defined by the Group or any policy of the Group, in accordance with the provisions of section 3 of this Code of Ethics.

In the event you know of the existence of any risk that is contravention of the regulations or the Group's safety and environmental policy, you must immediately inform your Superior or Manager.

13. *What should you do if you witness sexual harassment in the workplace?*

Forbid Employees to sexually harass anyone, whether verbally, by deed or by creating a harmful environment. In the event you know of a case of sexual harassment in the workplace, you must report to the Superior about sexual harassment in the Group.

14. *Can the Group be considered responsible for restraint of trade?*

The Group must obey the laws and regulations prohibiting behavior that amounts to restraint of trade. Employees must ensure, inter alia, that there are no actions that restrict free competition and that contravene the laws, regulations and/or policies of the Group.

15. *Donations of a political nature*

The Group does not make donations of a political nature, and you may not make donations of a political nature in the name of the Company or the Group; Employees must obey the applicable laws and regulations when they make donations of a political nature in their own name, and refrain from making donations of a political nature when it could be construed that these donations are an attempt to influence a government authority in their favor or in favor of the Company or the Group.

16. *Trading in securities*

Employees or members of their families are subject to the Insider Information Procedure (which has been brought to the attention of all Employees) in all matters related to trading in securities in a company owned by the Group.

17. *Hotline Reporting Procedure*

The Company operates a "Hotline", which allows making a complaint or asking for advice, inter alia, concerning a possible deviation from the Code of Ethics or any other policy document of the Company. For details of access, see Appendix A to this procedure.

18. *Terms of Employment*

The provisions of the Group's policy such as those of this Code of Ethics represent a part of the terms of the employment contract of each Employee employed by a company in the Group, and any non-observance of these provisions will be deemed a serious breach of the obligations derived from the terms of this employment contract.

Appendix A

Access to the “Hotline”

OPC is committed to creating an environment in which there is open, trustworthy communications with those to whom we report or with Management in cases where we feel there has been a breach of our policy or accepted rules in the Company.

We encourage you to report on disturbances specified in the Company’s Code of Ethics and request guidance concerning policy and procedures, as well as to upload suggestions.

Access today is by using this website:

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

Reports come to Mr. Yossi Tenne, Chairman of the Audit Committee, and to Irit Shadar Tobias, Vice President and Corporate Secretary

For the avoidance of doubt it is clarified that nothing stated here prevents contacting and reporting using other communications channels.

Other communications channels: Below are possible communications channels, in addition to the “hot line”:

1. Conversation.
2. In writing to: Irit Shadar Tobias, 121 Menachem Begin Road, Tel-Aviv, OPC, Floor 40.
3. By e-mail Irit.Shadar-Tobias@opc-energy.com
4. By telephone: 050-6360193, 073 -250 -5635

For full details see the Company’s Hotline Procedure.

The Hotline is a way to ensure that your reports will reach the right person, for assessment, handling and response to your approach.

Note that the Hotline is operated by a third party, Target Systems Ltd, which is responsible for operating the Hotline and providing access to the relevant parties concerning data that is sent. OPC has no control over the system and/or the servers of Target Systems Ltd, is not responsible for operating them, and undertakes not to try to circumvent the system protections.

Appendix B – Confirmation

I hereby confirm that I have read and understood the Code of Ethics and I understand that its instructions bind me as an Employee of the Company.

Full name of Employee

Signature of Employee

Date: ___/___/___

Date (day / month / year)

*** After you have read the Code of Ethics document, please return this appendix signed to the Secretariat.**