

Tadiran Batteries Code of Ethics

Introduction	3
1. Working with our customers	4
1.1 - The way we work with our customers	4
1.2 - Quality	4
1.3 - Honesty	4
1.4 - Fair competition	5
1.5 - Improper payments	6
1.6 - Gifts and favours	6
2. Protecting Tadiran Batteries' interests	7
2.1 - Use of the company's assets	7
2.2 - Use of information systems	7
2.3 - Confidential information	8
2.4 - The intellectual property rights of others	9
2.5 - Conflicts of interest	9
2.6 - Privileged information and insider trading	10
2.7 - Anti-money laundering rules	11
2.8 - We keep accurate and complete financial records	11

3. Choosing and working with business partners	12
3.1 - Relationships with suppliers	12
3.2 - Agents, consultants	12
4. Respect for regulation	13
5. Working with public bodies	14
5.1 - We cooperate fully with officials	14
5.2 - Contributions to public affairs	14
6. Respecting and protecting our employees	15
6.1 - Regular and open communication	15
6.2 - Mutual respect and privacy	16
6.3 - Equal opportunities	16
6.4 - Protection against harassment	17
6.5 - Sustainable development	17
6.6 - We support environmental responsibility	18
6.7 - Health and safety	18

Introduction

Our Group benefits from a rich mix of cultures, making it essential that all our employees, regardless of the entity they belong to, the function they carry out or the country they work in share a common definition of **Tadiran Batteries'** vision, ambition and values. It is also essential that we share the same code of conduct, individually and collectively.

A shared identity, ambition and vision reinforces the image that we give of ourselves, ensures the Group's cohesion and contributes to the confidence of our customers, our partners and suppliers, our shareholders, the public and all the other stakeholders who are involved in our activities and development.

I want to stress the importance of knowing and respecting our Code of Ethics. Our development must be guided by our core ethics. Our Code of Ethics ensures the proper conduct of our daily activities. Each **Tadiran Batteries** employee, whatever his or her position in the Group, must be familiar with and scrupulously apply these principles.

I have created an ethics committee which will meet on a regular basis to ensure that our code is continually adapted to our evolving business environment.

I consider it of the utmost importance that each of you has easy and direct access to these fundamental rules. This is why you have each received a copy. They will also be available to all on internet site.

I count on you all to respect these rules.

Igal Carmi

President and CEO

1. Working with our customers

1.1 - The way we work with our customers

The success of our customers is a key to **Tadiran Batteries'** success. Customers look to us for performance innovation, reliability but also integrity. The standards of behaviour required in our client relationships are designed to ensure that we consistently deliver those values and avoid mistakes that will harm our reputation.

1.2 - Quality

We strive to help our customers gain competitive advantage by adding value through the performance and quality of our technologies.

1.3 - Honesty

Trust is built through transparency and honesty. To be successful on a sustainable basis, we have to build each customer's trust through the integrity of our words and actions. We don't promise what we can't deliver and strive to ensure that customers, shareholders and colleagues trust us to keep our word.

1.4 - Fair competition

We believe in a competitive, free enterprise system because it guarantees that our hard work and innovation will be rewarded.

This system, as the basis of a free market economy, is protected and promoted by competition law. Consequently, our actions must always comply with all applicable antitrust and other laws regulating competition. While these laws vary from country to country, **Tadiran Batteries'** minimum standard can be defined as follows:

We compete openly and independently in every market. We do not make any agreements – formal or otherwise – with competitors to fix or set prices or allocate products, markets, territories or customers.

We do not obtain or share with competitor's current or future information about price, profit margins or costs, bids, market share, distribution practices, terms of sales, specific customers or vendors.

We do not agree with or require a customer to resell our products at certain prices.

We do not act in a manner that unfairly favours or benefits one customer over another competing customer.

Be mindful of the antitrust risks presented by trade and professional association meetings. As a **Tadiran Batteries** employee you are required to:

Attend only meetings of legitimate trade and professional associations held for proper business, scientific, or professional purposes.

Discuss any questionable agenda items with your manager before you attend the meeting.

Leave the meeting and promptly advise your manager, if you observe any activity at an association meeting that appears to be illegal or suspicious.

1.5 - Improper payments

Tadiran Batteries' reputation must not be put at risk by the offer of improper payments. In dealing with public official, political parties or their officials or any private sector worker, **Tadiran Batteries** employees must never offer, promise or give any undue pecuniary or other advantage, whether directly or through intermediaries, to obtain or retain business or any improper advantage in the conduct of business.

1.6 - Gifts and favours

Accepting gifts and entertainment from business partners or offering such favours undermines our credibility. It makes us vulnerable to accusations that business decisions are influenced by factors others than merit.

Employees must therefore not offer, make, seek or accept gifts, payment, entertainment or services to actual or potential business partners which might reasonably be believed to influence business transactions, which are not within the bounds of customary business hospitality or which are prohibited by law.

2. Protecting Tadiran Batteries interests

2.1 - Use of the company's assets

Tadiran Batteries strives to give employees the tools they need – equipment and information – to be effective. **Tadiran Batteries'** physical assets, intellectual property rights and information must be handled with care to avoid loss, theft or damage. Information assets include organization charts, technologies and processes, manufacturing methods, as well as marketing, advertising, and business development studies and plans. These are considered to be **Tadiran Batteries** proprietary information and they belong to the Group. They must not be disclosed either during employment or after leaving the Group. The Company will defend its assets by all necessary legal means.

Company assets are intended to be used for business purposes. Limited personal use is only permissible if it is not in conflict with the interests of **Tadiran Batteries**, this Ethics policy or **Tadiran Batteries'** rules and policies.

2.2 - Use of information systems

Tadiran Batteries' information systems are there to help us work efficiently and professionally. Generally, such facilities should be used for business purposes, in a manner that does not violate the rights or interests of the **Tadiran Batteries** Group, and in line with rules issued by the **Tadiran Batteries** Group.

Remember that any communication via e-mail could be regarded as a statement of **Tadiran Batteries**. Therefore, employees must be careful not to release information that is commercially sensitive or contentious or may have undesired contractual or other legal implications for **Tadiran Batteries**.

All laws governing copyright, defamation, discrimination and other forms of written communication also apply to online and e-mail communication. Unauthorized or unlicensed software must not be placed onto **Tadiran Batteries'** IS facilities.

Tadiran Batteries' information systems facilities must not be used to attack the integrity of our or a third party's networks or data. This includes originating or forwarding chain letters or unsolicited commercial e-mail (spam).

Information produced and stored on **Tadiran Batteries'** information systems facilities is regarded as **Tadiran Batteries'** property and **Tadiran Batteries** reserves the right to access all such information except where limited by law or agreement. Employees are responsible for keeping their electronic files and archives in an orderly manner.

2.3 - Confidential information

Information is an asset. We share some of it in press releases, product information, the annual report and other public documents. Any other information that comes to employees in connection with their work, whatever the source must be kept confidential to prevent others copying our work or poaching customers. It may also include information that suppliers, customers, or partners may have entrusted to **Tadiran Batteries**.

Mark information appropriately, keep it secure and limit access to those who need to know in order to do their jobs. Avoid discussing information in areas where you may be overheard, such as airports, public transport, restaurants and bars, elevators, restrooms, and cafeterias.

Information is so valuable that it may be appropriate to ask any outside party given access to confidential information to sign a confidentiality agreement approved by the Legal department.

2.4 - The intellectual property rights of others

Tadiran Batteries protects its own secrets and respects the intellectual property rights of others. Employees must not obtain confidential information of other parties by improper means or disclose it without authorization.

2.5 - Conflicts of interest

Conflicts of interest can arise where personal interests or family and other allegiances are at odds with the interests of the company. In general, we should avoid situations in which personal interests, outside activities, financial interests, or relationships conflict or appear to conflict with the interests of **Tadiran Batteries** and not allow business dealings on behalf of the company to be influenced by personal considerations or relationships.

The most frequent conflicts of interest arise where an employee is in a position to award business contracts, hire staff, has access to information that may be of interest to the financial markets or is offered employment by a competitor.

Employees who think they may be in a “conflict” must inform their line manager, local ethics officer or human resources manager so that the company can determine whether a conflict exists. They will be advised of the proper actions to take, in line with rules issued by the **Tadiran Batteries** Group.

2.6 - Privileged information and insider trading

Inside information is information not readily available to the public that an investor would consider important in deciding whether to buy or sell a company's shares. It can be information effecting shares of parent company or of another company.

Because inside information may have considerable value to investors, it is governed by legislation designed to preserve public confidence in and the integrity of the securities markets in many countries.

Tadiran Batteries has strict routines and guidelines for the dissemination of such information, which includes financial data and plans for the future of the business and changes to key personnel. The laws and agreements with the stock exchange prohibit anyone with inside knowledge from trading the securities or disclosing the information. If employees are unsure whether they have "inside" information, they should contact their supervisor or the legal department to discuss the situation.

Trading securities such as shares or bonds while in the possession of insider information is both unethical and illegal, and will be dealt with decisively. It is not permitted to share inside information with **Tadiran Batteries** employees unless they need to know and are aware of their obligations in handling the information. It is against the law to share information with others, including a co-worker, family member, friend or former colleague, who might make an investment decision based on inside information.

Tadiran Batteries informs all insiders in writing of their responsibilities and keeps up to date insider lists as required by the French stock market authority.

Communication with investors and the financial media is the exclusive responsibility of the financial and communication departments.

2.7 - Anti-money laundering rules

Tadiran Batteries' commitment to fairness, honesty and openness extends to complying fully with all money-laundering laws throughout the world. Money laundering generally occurs when funds from illegitimate sources are brought into legitimate financial channels to hide them or make them appear legitimate.

Employees must protect the integrity and reputation of **Tadiran Batteries** by helping to detect possible money laundering activities. They should watch for and report warning signs to their manager, which may include customers who are reluctant to provide complete information or wish to make payments in cash.

2.8 - We keep accurate and complete financial records

Investors, creditors and others have a legitimate interest in **Tadiran Batteries'** accounts. The integrity of the accounts depends on the accuracy, completeness and timeliness of the entries. All **Tadiran Batteries'** business transactions must therefore be fully and fairly recorded in accordance with **Tadiran Batteries'** accounting principles and other appropriate requirements. Improper or fraudulent documentation or reporting is illegal.

3. Choosing and working with business partners

We choose our business partners with care

3.1 - Relationships with suppliers

Tadiran Batteries expects fair competition in its markets and applies the same standard in dealing with suppliers. If you select and/or deal with suppliers, you should not show any favour or preference to any person or business based on anything other than the best interests of **Tadiran Batteries**. You must not let your business dealings on behalf of the company be influenced by personal or family interests.

Similarly, all purchases of goods and services for **Tadiran Batteries** must be made in accordance with company policies. Please also refer to the specific supplier-relations document available from the purchasing director.

3.2 - Agents, consultants

Commissions or fees paid to agents and consultants must be reasonable in relation to the services provided. Employees must not agree or pay commissions or fees that could be considered to be improper payments.

Agreements with consultants, brokers, sponsors, agents or other intermediaries shall not be used to channel payments to any person or persons, including public officials or customer employees.

4 ● Respect for regulations

Upholding **Tadiran Batteries'** reputation for integrity requires absolute compliance with the law for **Tadiran Batteries** and all employees. Employees are expected to be familiar with the law as it applies to their job and management is expected to provide necessary instruction and advice.

Tadiran Batteries expects employees to comply with all laws designed to protect health, safety and the environment, to obtain all required permits and to operate facilities in strict accordance with the relevant laws.

Due to the nature of **Tadiran Batteries'** business we observe the highest possible level of protection of our employees' health and safety and of our environment. A specific environmental policy is available on **www.tadiranbat.com**

5. Working with public bodies

Tadiran Batteries interacts with different groups of stakeholders including customers, suppliers, shareholders, the media, non-governmental organizations and government officials. The interaction of employees with governments around the world is of particular importance.

5.1 - We cooperate fully with officials

Tadiran Batteries does business in many countries and values good relations with governments. National and local governments around the world have specific and varied procurement laws to protect the public interest. They generally prohibit offering benefits to individual officials, often include limitations on hiring current or recently retired officials and forbid any conduct that may be viewed as improperly influencing objective decision-making.

Tadiran Batteries employees must be truthful and accurate in interactions with government officials and observe the highest ethical standards when conducting business with government representatives.

In dealing with a government, employees are responsible for knowing and complying with applicable laws and regulations, and must not contact government officials on behalf of the company unless it is their job to do so.

5.2 - Contributions to public affairs

Employees are free to contribute (without company reimbursement) to a political candidate or party using their own personal time, money or other resources.

Tadiran Batteries funds, property or services must not be used to support any candidate for political office, political party, official or committee anywhere in the world.

6. Respecting and protecting our employees

The people who work for at **Tadiran Batteries** come from many different countries, backgrounds and cultures. We can only appreciate the contribution of each individual if we observe normal standards of courtesy and respect when interacting with one another. **Tadiran Batteries** will also be judged by outsiders according to the way they are treated in their business dealings with the company. Clear and regular communications, diversity, equality of opportunity and upholding health and safety are essential to fostering a work environment in which everyone will feel welcome and comfortable.

6.1 - Regular and open communication

Regular communication between managers and their teams is a key to business success. This communication, which usually takes the form of meetings and briefings, should cover business strategy, long-term objectives and short-term priorities. Communication between employees and their superior should include making clear how employees are contributing to **Tadiran Batteries'** business goals.

Employees have a right to receive their superior's assessment of their performance, which is expected to ascertain progress and, where appropriate, to include proposed plans for further development.

6.2 - Mutual respect and privacy

The privacy of personal information – whether from employees, customers, contractors or vendors – is to be respected at all times. Employees must collect, use, store, handle, and disclose individual personal information in accordance with **Tadiran Batteries'** privacy policies and applicable laws.

All e-mail and Internet communications made through **Tadiran Batteries'** facilities are treated as **Tadiran Batteries'** business information and so may be accessed, retrieved, monitored and disclosed by **Tadiran Batteries** for legitimate business purposes, in accordance with relevant laws.”

6.3 - Equal opportunities

The dedication and professionalism of our employees is essential in order to achieve our objectives. Dozens of different businesses in countries around the world have come together over the years under the **Tadiran Batteries** umbrella and **Tadiran Batteries'** culture welcomes them all, regardless of gender, nationality, age, physical ability, or sexual orientation, or any other aspect of diversity. Employees must conduct their business activities with co-workers, customers, stakeholders and business partners with respect for all people without regard to differences or similarities.

Tadiran Batteries recruits and promotes people based on an objective evaluation of the necessary qualifications and qualities for the work to be performed. Employees should not engage in or support discrimination in hiring, compensation, access to training, promotion, termination or retirement based on gender, age, ethnic and national origin, caste, religion, disability, sexual orientation, union membership or political affiliation.

6.4 - Protection against harassment

Harassment - be it face-to-face, written, electronic or verbal – will not be tolerated at **Tadiran Batteries** and will be dealt with according to the rules in each country we operate in.

6.5 - Access to information

The Group undertakes to protect the personal information gathered in connection with the employment. Access to such information is disclosed only with prior consent of the employee except the data necessary to meet legal requirements in each country in which **Tadiran Batteries** operates.

The personnel charged with keeping such records shall guarantee that the information is not unlawfully disclosed.

6.6 - Sustainable development

Every **Tadiran Batteries** employee contributes to achieving the company's sustainability goals by supporting economic progress, environmental stewardship and social development. One aspect involves taking appropriate initiatives that improve the quality of life in the communities and countries where **Tadiran Batteries** operates.

Sustainability means that **Tadiran Batteries** treats all stakeholders in a socially responsible manner. Employees can contribute by promoting open dialogue with stakeholders on **Tadiran Batteries'** economic, social and environmental contributions and performance, subject to confidentiality rules.

6.7 - We support environmental responsibility

Due to the nature of our business, all **Tadiran Batteries** employees have the responsibility to comply with the letter and the spirit of environmental laws and regulations and respect the environment, wherever they work.

6.8 - Health and safety

It is our duty to our colleagues, their families and their communities to safeguard the health and safety of every employee at work. **Tadiran Batteries'** stringent health and safety policies and reporting requirements are in place to protect the lives and good health of employees.

Tadiran Batteries' ground rules for employees are: work safely and protect yourself, your co-workers, the community and the environment. The policies, procedures and programs apply worldwide to promote safe and healthy working conditions, protect the environment, and support the Group's commitment to compliance with applicable laws and regulations.

You should know and comply with the law and related company policies if you have responsibilities in areas that are subject to safety and/or environmental regulations.

The Group naturally respects all the provisions of the United Nations Declaration of Human Rights.