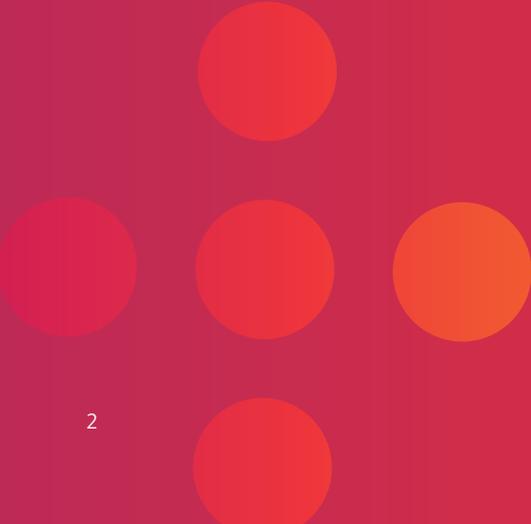




Code of Values and Ethics

Our Way



The bank is undergoing a process of renewal, which also encompasses its code of ethics and conduct. Many contributors participated in the renewal of the code; they deserve our gratitude and appreciation.

Planning and Strategy – Human Resources Division

January 2019

Dear
employees,



We are pleased and proud to present the renewed code of ethics and conduct of the bank: **A Code of Values and Ethics – Our Way**. The code is a statement of our identity and uniqueness as employees of Bank Hapoalim, and reflects the way we aspire to fulfill the bank's mission by **helping people, communities, and businesses thrive and achieve well-being**.

The bank's position as a leading financial institution obligates us to **center the customer's best interests and confidence, and to ensure that our actions are guided by our core values: professionalism; fairness and responsibility; humanity and caring;** initiative and innovation. The code illuminates and elucidates the ways in which this commitment and these values are expressed on the level of behavior during the routine work of the bank. It is designed to be used by employees and managers, in all units and at all ranks, as a compass for appropriate conduct in coping with a wide range of ethical dilemmas.

As you know, the bank recently launched its new branding: **Poalim – With You in Every Decision**. The updated code before you reflects the values underlying the promise declared by the new branding, and redefines the expectations and behaviors we are all adopting and striving to uphold, among ourselves and towards our customers and other stakeholders.

The success of the bank has always been grounded in its integrity and in the trust placed in it by its customers and by everyone who has a business relationship with the bank. This is an opportunity to once again express our faith that alongside the aspiration to leadership and a prosperous business, our actions will be guided by a commitment to morals and values, and we will continue to meet the same worthy standards.

We are confident that the capabilities and motivation of the employees of the bank, together with the professional excellence, technological infrastructure, and innovation we deliver to our stakeholders while maintaining demanding values-driven norms, ensure that we will continue to be Israel's leading and preferred bank.

Sincerely yours,

Oded Eran
Chairman of the Board

Ari Pinto
President & CEO





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Our organizational identity



Mission of the bank

Helping people, communities, and businesses thrive and achieve well-being.



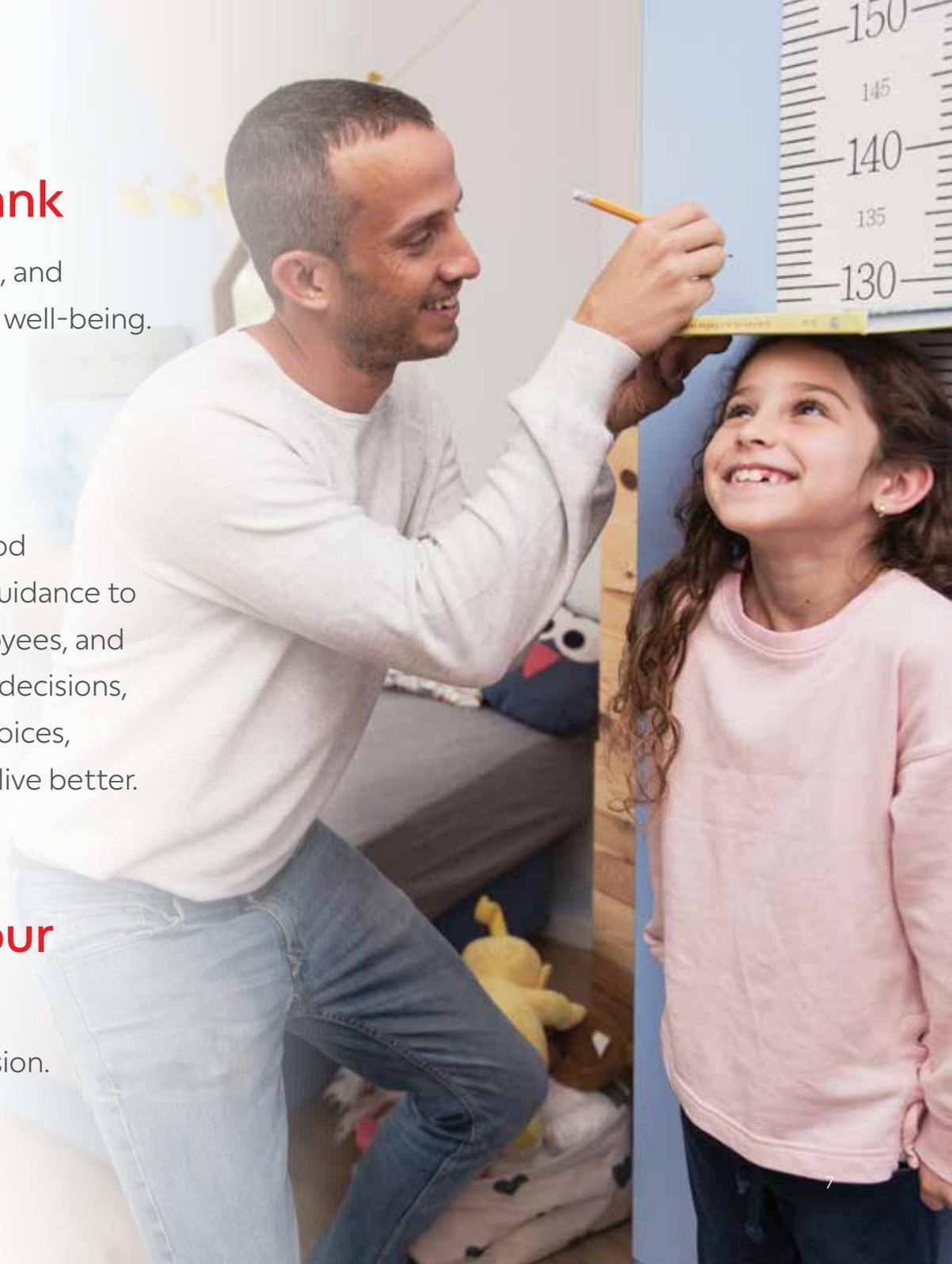
Our role

To enable people to make good financial decisions. We offer guidance to customers, businesses, employees, and communities in all important decisions, helping them make astute choices, achieve progress, evolve, and live better.



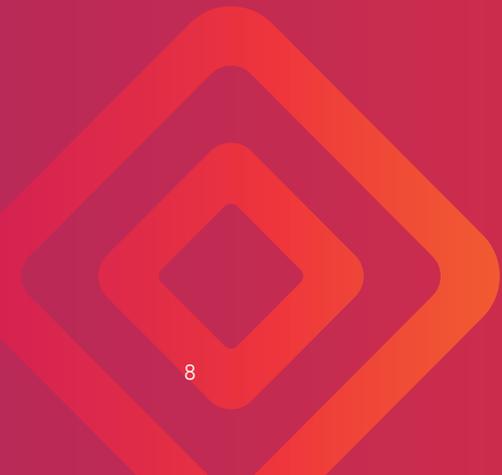
Our promise to our customers

We are with you in every decision.



Core values

The values that guide our actions



Core values



.....
.....
..... **The customer at the center**
..... Acting in partnership for the benefit of the customer



.....
.....
..... **Professional excellence**
..... Staying curious, learning, and adding value



.....
.....
..... **Fairness and responsibility**
..... Doing what is worthy



.....
.....
..... **Humanity and caring**
..... Being respectful, listening, showing empathy



.....
.....
..... **Initiative and innovation**
..... Leading the bank and its customers forward





The customer at the center

Acting in partnership for the benefit of the customer



Between us

- We aspire to achieve solid results for our customers, and we present the voice of the customer in every professional discussion.
- We treat each other as partners, across units and within units.
- We create an effective value chain from the customer's perspective.
- We conduct ourselves as a winning team with shared goals.



Towards customers and stakeholders

- We center our activity on the customer's best interests and work continually to win customers' trust.
- We work diligently to understand our customers' needs and we strive to provide them with optimal professional responses.
- We promote our customers' financial freedom and aspire to be their most significant source in every important financial decision – a trusted advisor

Professional excellence

Staying curious, learning, and adding value



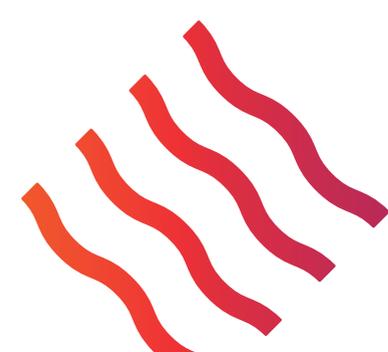
Between us

- We are committed to continual learning, everywhere, at all times, and from anyone.
- We remain curious, up to date, and open to feedback; we seek out opportunities to apply what we have learned.
- We work to enhance our capabilities and to develop and maintain our professional expertise.
- We help each other.
- We make decisions responsibly and quickly.



Towards customers and stakeholders

- We help customers and stakeholders be actively involved in their own financial future.
- We create financial products and services that emphasize accessibility, simplicity, and availability.
- We work tirelessly to add value for our customers.







Fairness and responsibility

Doing what is worthy



**Between
us**



- First and foremost, we strictly adhere to all laws and regulations.
- We ask why, and to the same extent why not; we dare to say and do the worthy thing.
- We are honest, and we treat each other fairly and with mutual trust.



**Towards
customers
and
stakeholders**



- We keep our promises and take responsibility for the consequences of our actions.
- We act with integrity, wholeheartedly, and with common sense. We endeavor to balance the rights and wishes of all parties.
- We provide reliable, honest, sensible, fair, unbiased information and advice.

Humanity and caring

Being respectful, attentive and empathetic



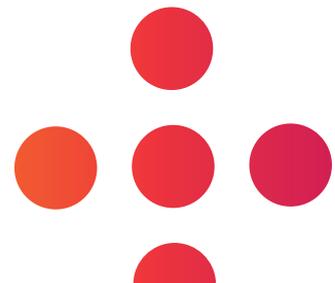
Between us

- We respect each person's opinion.
- We assiduously maintain positive and appropriate language and communication; we are kind, pleasant, and polite.
- We promote equal and diverse employment, and we volunteer in the community.



Towards customers and stakeholders

- We are attentive to customers' needs and preferences, in order to create a personalized customer experience.
- We are empathetic, and we make sure that we use positive, clear language and communication.
- We respect human rights, care for the environment, and invest in the community.







Initiative and innovation

Leading the bank and its customers forward



Between US



- We demonstrate initiative and resourcefulness; we motivate action; we make things happen.
- We dare to break boundaries and lead changes; we are tolerant of mistakes, and we celebrate successes together.
- We encourage creative, original thinking; we are open to hearing new ideas from anyone and adopting these ideas.



Towards customers and stakeholders



- We demonstrate creativity in complex situations, and we act to provide a rapid, optimal response in a dynamic reality.
- We provide our customers with innovative and valuable financial solutions.
- We aspire to drive the bank and its customers forward, and to lead the banking industry.

Code of ethics and conduct

General information

Acting in accordance with the law

As part of the banking system in the State of Israel, we conduct ourselves according to the principles of sound corporate governance, as reflected in the legislative and regulatory environment in which we operate and to which we are committed. This commitment applies to all of the affiliates of the bank, in Israel and worldwide, and to everyone acting in the name of the bank, from the board of directors and board of management to each employee. As part of an organization trusted with the public's assets, it is our responsibility to promote responsible conduct amongst ourselves; and it is our duty to act according to the law, the procedures of the bank, the agreements between the bank and its employees, and the code of ethics, as they are at any time.

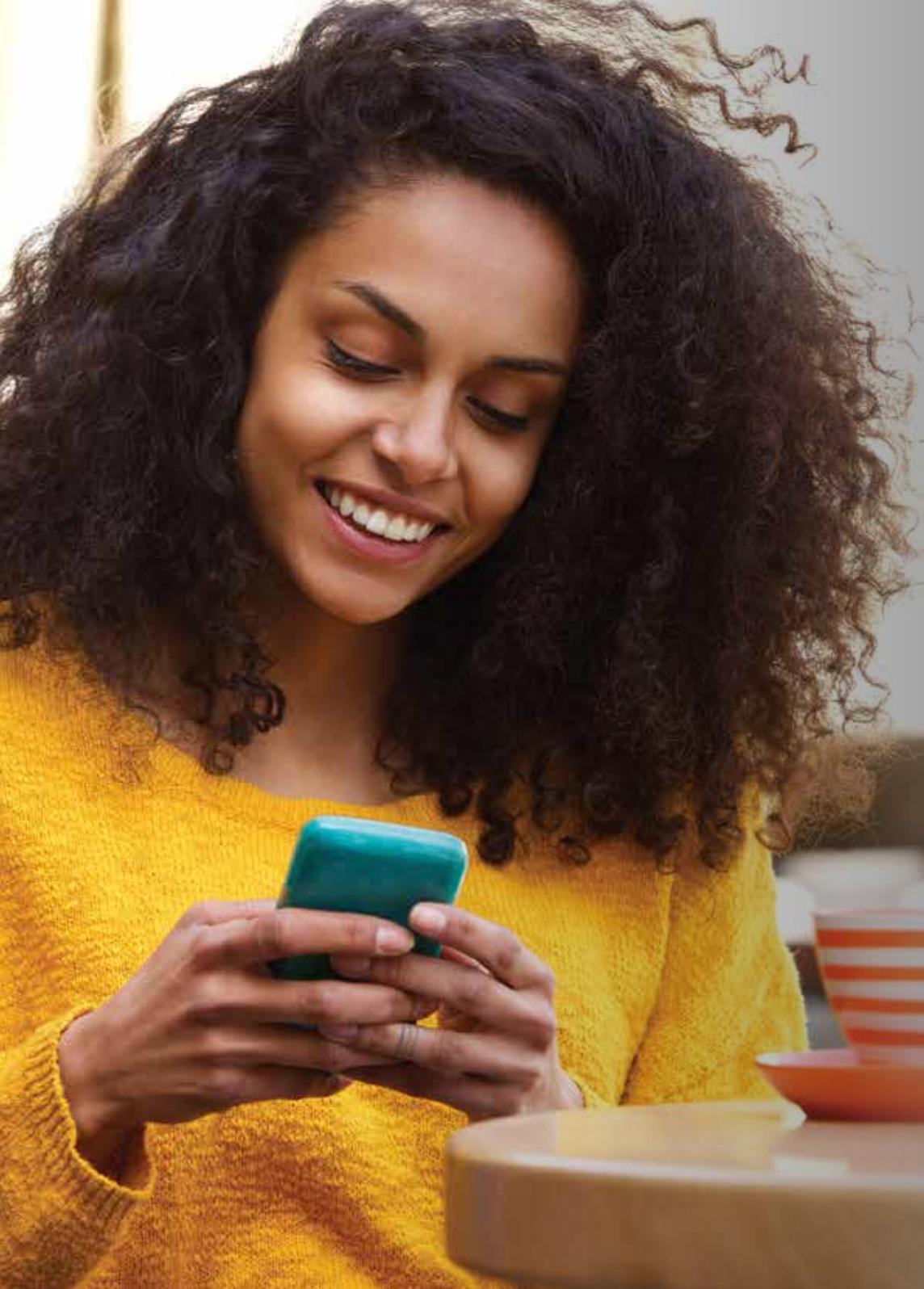
Our foremost consideration in any decision or business action should be obeying the law. Banking services are subject to extensive regulation, in all areas of decision-making that pertain to our activity. We must therefore be familiar with all of the laws and standards related to our work and to the fulfillment of our roles at the bank. The bank takes the necessary measures against employees

found to have acted in violation of the law, procedures, or the guidelines in the code of ethics. The code does not cover all possible dilemmas, and does not specify detailed rules of behavior for each and every situation; instead, it sets forth guidelines for conduct. When we face an ethical dilemma, or confront a situation in which we are uncertain of the right way to act, it is our responsibility to consult with our direct supervisor, the Chief Compliance Officer, human resources, or the head of ethics at the bank – the COO.

Responsibility of managers

Managers set a personal example by behaving in accordance with the values and guidelines of the code of ethics.

Managers are responsible for ensuring that all of their employees know and understand the code, and for supporting the process of instilling the code and making it part of the everyday routine. Managers will help employees cope with ethical dilemmas. In cases in which they are unable to offer a solution, they will refer the employee to someone authorized to address the matter at hand.



In an age of a surfeit of information, experts, and opinions, the process of consumer decision-making has become more complex and challenging than ever. In this reality, our customers need a professional partner they can trust – someone who can help them navigate through the possibilities.

We aspire to be the first and most significant source that our customers turn to when they need to make a financial decision. We work to supply them with knowledge and tools that impart significant value and can serve them in the day-to-day. At the same time, we strive to create an excellent banking experience individually tailored to each customer, achieved through the combination of personal, human service with technological innovation.

Customers



The best interests of the customer and the fairness of the bank towards its customers

- We center our actions on the best interests and trust of the customer. We cultivate long-lasting relationships with our customers, strengthen their loyalty, act fairly and with integrity towards them, and create opportunities for them to expand and extend their connection with the bank, so that they can grow and thrive.
- We offer services and products suited to the customer, based on a comprehensive understanding of the needs of the customers and of their families; we empower our customers with the capabilities and tools needed to make financial decisions. All of our conduct with customers is committed to their financial best interests.
- In order for our customers to receive the full range of services as independently as possible, we make a range of channels available to them at any place and time; we ensure physical and technological accessibility for people with disabilities.
- We act fairly and transparently, including when handling debt collection, both before and after legal proceedings are initiated.



Transparency and due disclosure

- We provide customers with full, clear information, with due disclosure and maximum transparency.
- We do not perform a transaction if there is reasonable doubt regarding the customer's understanding of the transaction.
- We identify customers' needs based on the knowledge accumulated at the bank regarding the customer, and based on the information provided by the customer in regard to his needs, goals, financial situation, and other relevant circumstances.
- We adapt our banking service to the customer's needs, not just in cases where it is required by law (such as in advising on securities and financial assets), but in all transactions performed by the customer.
- Special terms are granted to customers based on relevant, fair considerations, according to authorizations.



Protecting customers' confidentiality and privacy

- We respect customers' privacy and maintain confidentiality in discussing their affairs, including business information and information regarding third parties involved in transactions.
- We strictly maintain appropriate retention of customer documents, in order to ensure that the content of the documents does not reach anyone not authorized to receive it.
- We do not transfer information to third parties, except by explicit written request of the customer or as required by law.
- We are committed to refraining from revealing information regarding our customers if it is not necessary in order to do our job, or required by law, even to members of employees' households.
- We do not peruse or provide information regarding customers, employees, or the members of their families, unless it is necessary in order to do our job, or if we have not been authorized to do so, even if the customer has granted consent or approval, in recognition that, among other reasons, perusal of such information may constitute a violation of banking secrecy.



Avoiding improper sales

- Fair conduct is an essential cornerstone of our customer-centric approach.
- We provide full information in every transaction or service, and assiduously avoid disseminating unfounded information (rumors) or information that may mislead a customer when making a decision.
- The customer-centric approach takes precedence over the aspiration to excellent performance.
- We ensure that our ambition to attain excellent performance over time does not lead us to perform improper sales.



Handling customer complaints and public queries

- We see every communication from a customer as an opportunity to learn, deepen our relationship with the customer, improve the service experience we offer, and remedy flaws.
- We are committed to investigating every query and providing a relevant response.
- If you encounter a complaint you are unable to resolve, or if anyone contacts you with regard to the bank's service, it is important to let the responsible parties know so that we can improve the customer experience provided by the bank. A query can be posted on behalf of the customer on the bank's Facebook page.



Managing conflicts of interest

- We avoid situations of conflicts of interest, whether real or apparent, in which personal interests may clash with the interests of the bank or of its stakeholders, placing employees' personal interests in contradiction with their duties to the bank.
- We avoid exposure to information that may cause us to encounter a conflict of interest in which, while we are doing our job, another contradictory interest may influence our decisions as an extraneous consideration.
- Employees are prohibited from becoming partners in a business or engaging in financial activity with colleagues, customers, or suppliers, except with advance written approval.
- In any situation of a conflict of interest, we report immediately, in advance and in writing, to a supervisor or to any other responsible party; we avoid participating in all activities pertaining to such matters.



Responsible growth

- We aspire to achieve economic growth while concurrently maximizing economic, social, and environmental value for our customers and for the general public, and while maintaining informed risk management, in the understanding that cautious growth secures the bank's success for the long term.



Prohibition on giving and receiving gifts and favors

- Employees may not receive or give gifts or favors of any kind, directly or indirectly, from or to customers or any other party in a working relationship with the employee or in connection with the performance of their duties at the bank.
- Employees must receive the approval of a supervisor before accepting a personal gift of negligible value, provided that it is not money.
- Employees must report to a supervisor in the event of an attempt to give the employee a gift that consists of money.



Prohibition on corruption and bribery

- Employees may not offer, promise, give, or receive, directly or indirectly, anything of value from or to a public employee, political candidate, faction representative, supplier, or other organization with the aim of inappropriately influencing independent professional judgment, or with the aim of negatively influencing or obtaining or ensuring an unfair competitive advantage.
- Employees may not give or receive illegal fees to shorten processes, which may impair the incremental nature or the completeness of appropriate business and administrative procedures.



Prohibition on money laundering and prevention of terrorism financing

- We are committed to taking all necessary measures in order to prevent the exploitation of the bank and its services and identify behavior and financial activity that may indicate activity uncharacteristic of the account or customer, or performed using prohibited property with the aim of causing its absorption at the bank and obscuring its illegal source, owner, or destination.
- The authorized parties must be notified immediately of any action suspected to be connected with tax offenses, bribery and corruption, or the financing of terrorism, or intended to conceal the participants in a transaction.





Employees' success is the success of the bank and its customers.

It is employees who guide customers and businesses and help them achieve astute conduct, make better financial decisions, move forward, and evolve.

Accordingly, the bank is committed to cultivating and nurturing its human capital through continual dialogue, investment of resources in training, and the provision of tools to enable employees to advance and develop, while also caring for their health and well-being. The bank aspires to be a preferred employer and offer its employees meaningful, influential work.

Employees



A positive, humane work environment

- We encourage an appropriate, responsible, positive, humane work environment, founded on mutual respect, caring, dialogue and listening, fairness and equal opportunities, and trust and transparency, and we ensure that these attributes are maintained at all levels: between the bank and its employees, between managers and employees, and between employees and their colleagues.



Taking responsibility

- We aim for proficiency and expertise in all areas under our responsibility, and for optimal execution of our tasks.
- We actively learn and seek to remain current in our areas of activity, and we aspire to improve our performance.
- We exercise appropriate professional caution, while performing our work faithfully and diligently.
- We perform our duties in accordance with our defined areas of authority, being careful not to exceed them.
- We apply appropriate controls to the matters under our responsibility, even when our responsibilities are delegated to others.
- We rigorously ensure that we submit reports to the various government authorities that are complete, appropriate, accurate, reliable, and timely, while maintaining banking secrecy rules.



Responsibilities of managers to their employees

- To provide employees with a positive, humane work environment that is physically and emotionally comfortable.
- To maintain appropriate, proper language and communication; to act kindly, pleasantly, and politely; and to avoid verbal abuse and any kind of offensive behavior.
- To give employees periodic feedback and evaluation congruent with their performance and skills.
- To encourage work-life balance, with understanding and empathy for the individual's needs and personal life.
- To care for employees' health and well-being.
- To allow employees to express their opinion and influence decision-making processes without concern.
- To provide opportunities to apply learning and build new abilities; to facilitate employee mobility.
- To inform employees of changes.



Maintaining fair competition within and outside the bank

- When competition exists between employees, we ensure that it is fair and respectful, and is conducted while adhering to the law and to the rules and procedures prevailing at the bank.
- We set objectives and achieve and report performance according to the rules that have been established, with fairness, integrity, and reliability. For example, one employee should not be given credit for the achievements of another.
- We treat the bank's competitors with respect. We compete energetically and efficiently, but also in a fair and moral manner, and in compliance with the requirements of the law. The bank does not abuse its power as a large and important organization to impair the fairness of competition in the market.
- We offer the services and products of the bank due to their inherent advantages.
- The collection of information about customers and competitors requires the approval of an authorized party, and is subjected to permitted parameters according to the law and the procedures of the bank.



Responsibilities of employees to their colleagues

- We are aware when colleagues are in distress or experiencing difficulties, in order to be able to support and encourage them and help them in any way possible.
- We act cooperatively and transparently; we share professional information necessary to function effectively and attain the best interests of the customer.
- Maintaining good relationships among ourselves is of the utmost importance; these relationships are the foundation of both our individual success and the success of our teams.



Protecting employees' confidentiality and privacy

- All of us, managers and employees, are responsible for protecting privacy.
- Access to personal information about employees is granted only to those authorized by the bank, who need the information for reasons relevant to their position or for the management of the bank's business, such as managers, human-resources personnel, and internal-audit staff. Examples of personal information: data on salaries, tests, and performance evaluations.
- Information should be collected and used only as required by law or for the purpose of the management of the bank's business and employees.
- The transfer of information to an external party is possible only with the employee's consent, except in cases in which the bank is required by law to disclose the information.
- Inform your supervisor of any personal problem that may affect your work. Supervisors will handle this information, and any personal information about the lives of individuals, with sensitivity, confidentiality, and discretion.
- Do not keep valuable items or sensitive personal information in the facilities of the bank (cabinets, information systems, and any other device or facility), beyond a reasonable extent. The bank retains the right to examine its facilities, including information systems and any files stored therein.



Diverse employment and equal opportunities

- We are committed to promoting the employment of employees from population groups underrepresented in the labor market.
- We employ, promote, and make decisions regarding employees based on pertinent considerations, such as qualifications and performance, without discrimination due to religion, race, gender, age, political views, sexual orientation, disabilities, etc.



Prevention of disrespectful or offensive behavior

- We rigorously maintain a work environment free of all forms of harassment and illegal offense; we must all take part in the effort to create this environment.
- We address each other using positive, respectful language; we avoid behaviors that are physically or verbally threatening, violent, or offensive.
- We avoid treating other employees in a humiliating or hurtful manner; we avoid disrespectful speech, threats, false accusations, and the spreading of harmful rumors.
- We strictly maintain appropriate, fair treatment, including when parting from an employee and at the end of a working relationship.
- We do not come to work under the influence of alcohol or drugs.



Employment at another organization

- Any employment at another business organization or in a business and/or financial activity, as an employee, owner, partner, advisor, board member, or in any other capacity, even when there is no conflict of interest involved, requires advance written approval from the Human Resources Division.
- Even when such approval has been granted, you must ensure that your other work has no negative effects on your work at the bank.





Prevention of sexual harassment

- We apply a zero-tolerance policy to sexual harassment.
- If you experience sexual harassment, contact the appropriate Human Resources Representative at your location or Bank Hapoalim's Supervisor of the Prevention of Sexual Harassment in order to file a complaint.
- If you witness sexual harassment or encounter rumors pertaining to sexual harassment, you can safely report it to the Supervisor of the Prevention of Sexual Harassment at the bank or to one of the regional operations officers appointed as sexual harassment prevention trustees.



Protection of the bank's assets

- We are diligent about using the bank's assets in an appropriate manner. Among other considerations, we understand that the ambient conditions and technological innovations that the bank makes available to its customers are perceived by customers as important components of the overall service of the bank; this includes the visual appearance and design of buildings and furniture, and the quality and availability of equipment and devices.
- We use the assets of the bank prudently and frugally; we are aware that the bank invests resources and efforts in the development of its assets and accords high importance to their efficient management.
- We are committed to avoiding the use of the bank's property for personal gain or benefit, or for activities unrelated to the bank or conducted outside work hours.
- We do not use assets or remove property from the premises of the bank for reasons unrelated to the objectives of the bank.
- We strictly maintain safety at work; we alert the relevant parties of any hazard that may jeopardize the safety of employees and/or customers, or may expose the bank to harm.



Retention of confidential information

- We do not disclose confidential information or insider information, and we do not transfer these types of information to others in any form. During our work at the bank, we are exposed to large amounts of information of various kinds concerning the bank and its employees, customers, suppliers, competitors, and more. This information is confidential, and we protect it accordingly. Confidential information may appear in various forms: verbal, written, printed, or electronic. The duty to avoid disclosure and maintain confidentiality applies to all of these forms.
- We protect information from loss, theft, and other damage.
- We are careful not to discuss bank matters in public places, such as elevators or coffee shops.
- We do not leave documents, electronic media, or personal computers containing information regarding the bank in public places or in vehicles.



Prohibition of the use of insider information

- We maintain the confidentiality of all insider information regarding the bank and its customers that may come to our attention during the course of our work, as well as substantial information not known to the public and to investors in securities, and information that a reasonable investor would act upon when making decisions concerning the securities of the bank or of others.
- We do not trade, directly or indirectly, in the securities of the bank or of an entity regarding which we possess insider information.
- We do not trade in securities of the bank during blackout periods.



Confidential knowledge and intellectual property

- Rights owned by the bank should not be used outside the bank, including any invention, idea, discovery, development, concept, etc., generated by employees during and due to their work at the bank, in writing or verbally.



Political activity

Israel is a democratic country, and every citizen has the right to a political opinion. However, the bank endeavors to prevent the use of its employees or facilities for political purposes, and/or the exploitation of its status and image for political gain.

- Do not conduct political activity at the facilities of the bank during work hours, and do not raise funds for political candidates or parties at the bank.
- Do not use the means of the bank for political purposes, or to promote personal interests in this area.
- The bank does not donate money or equivalents to political parties, politicians, or political institutions. Any involvement of the bank in lobbying is conducted in accordance with Israeli law. Activity in this area is performed in compliance with the regulations of the bank, by authorized employees only.



Representation of the bank

- During activities in which we represent the bank in the media or on public occasions (such as a presentation at a professional conference), we act respectfully and in accordance with the policy of the bank. Do not make any declaration or commitment in the name of the bank without the appropriate authorizations. Any questions from the media should be addressed to the spokesperson office of the bank.
- Only those persons authorized accordingly in the procedures of the bank may sign documents in the name of the bank or perform actions that obligate the bank.
- Do not make declarations pertaining to the bank, its business, or its customers, or give interviews in the written, electronic, or online media on these subjects, unless it is part of your job description and you have received advance approval to do so.
- When we express ourselves on public or political matters as private individuals, it is important to clarify that we are speaking privately and to make it understood that we are not speaking in the name of the bank or on its behalf.



Representation of the bank on social media

- In today's world, using social media is part of our daily routine; it is therefore important to differentiate the identity of a bank employee as a representative of the organization from his or her private life.
- Accordingly, we exercise judgment when deciding whether and what to share and post on social media with regard to the work and social activities conducted by the bank, while adhering to the rules of appropriate conduct. In this context, we are aware that employees should not express, respond to, or post any information or personal opinions about matters related to the bank and its business that may be harmful or cause damage of any kind, including damage to banking secrecy, individual privacy, public sensitivities, etc.
- The bank is active in various social media networks and channels. Employees who oversee and perform this activity are exclusively those trained and authorized to do so by the bank, as part of their positions.
- Information discussed on social media and the right to respond or formulate an appropriate position regarding such information should be referred to the bank's Social Media Center, even if the employee is deeply familiar with the subject matter due to his or her work at the bank.



Restrictions on bank employees' accounts

- We are responsible and careful in the management of our personal financial affairs.
- We recognize that as bank employees, certain restrictions apply to ourselves and to the members of our families with regard to holdings and transactions in securities, pursuant to the Securities Law and other legal directives, as well as restrictions concerning the management of our bank accounts in general and receiving credit in particular.
- Investment advisors and employees in certain other positions are subject to additional restrictions due to their roles. These restrictions are stipulated in the Securities Law and in the Advising Law, as well as in the procedures of the bank.
- We do not handle credit applications, credit approvals, or credit-facility deviations of members of our families or members of our spouses' families.



Other stakeholders: suppliers, investors, and the community

Suppliers

We select suppliers based on professional criteria, and accord high importance to cultivating long-term relationships with them, for the benefit of both parties. Our responsibility for an ethical supply chain is also reflected in our demand for a commitment on the part of suppliers who work with us to conduct themselves in accordance with the principles of corporate responsibility, and in our expectation that they treat our customers equally, fairly, and respectfully. In our engagements with suppliers, we strictly maintain several ground rules and ethical principles:

Contractual engagement – corporate purchasing is the sole function within the bank authorized to manage supplier relationships, including negotiations, agreements on the terms of the engagement, issuance of work orders, etc. We involve the purchasing centers in advance, before forming the contractual engagement with the supplier.

Integrity and transparency – we provide due disclosure and maintain appropriate transparency; we provide suppliers with the required information relevant to their activity with the bank, but we ensure that we do so in a proportional manner. We do not provide information regarding results, prices, or terms to competing suppliers during the bidding process.

Information security and confidentiality – we are committed to avoiding the use of information to which we are exposed within a contractual engagement and/or work with a supplier for any purpose unrelated to receiving the service or product. In all cases, we adhere to the rules of information security, individual privacy, and confidentiality of the data to which we are exposed during our work with a supplier.

Working relationships – supplier relationships should be managed based on an approach of dialogue aimed at discovering and understanding mutual needs, coordinating expectations, and creating shared value for the bank and the supplier. We fully respect the rights of the supplier's employees, and we treat them respectfully and responsibly. We do not exploit working relationships with suppliers for our personal needs.

Equal opportunities and prevention of discrimination and harassment – the system of contractual engagements with suppliers is based on price, quality, availability, reliability, terms, and service. We allow equal opportunities to all suppliers, based on relevant considerations; we do not discriminate due to religion, race, gender, age, etc. Decisions regarding contractual engagements with suppliers are made based on relevant considerations, in an unbiased manner, while protecting the best interests of the bank and promoting a work environment free of harassment of any kind.

 **Investors**

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The bank is committed to the creation of long-term positive economic value for its investors. In order to promote trust and transparency in its relationships with investors, the bank regularly reports on its business and financial position, as required by law.

 **Community**

.....

Active involvement in the community is a highly important tenet of the bank's vision; the bank views itself as an integral part of the community in which it operates. This approach, alongside the drive to promote the bank's business leadership, leads us to work to empower the community and achieve social objectives in various fields. Our activity dedicated to the community takes the form of community engagement; monetary donations; money-equivalent donations; and extensive volunteering. All work-related volunteer activities, fundraising efforts at the bank and in its facilities, and requests addressed to customers or suppliers in connection with volunteering and/or donations are subject to approval and regulation by the appropriate functions at the bank, and should not be undertaken without approval.

Environment

We attribute high importance to sustainable environmental management; we are committed to acting responsibly towards the environment. Accordingly, we endeavor to minimize the direct and indirect environmental impacts of the bank, and we treat consumed materials as resources to be managed responsibly, with efforts to achieve savings and efficiencies.

Reduction of the bank's environmental impact is attained through means including resource savings efforts (with an emphasis on electricity and paper), and the selection of suppliers who meet criteria of protection of the environment, recycling, reuse, and responsible waste disposal.

The commitment of the bank's employees to the protection of the environment is extremely significant to the implementation of the bank's environmental policy; they are the ones helping to bring this policy from theory to practice. We therefore act to instill responsible environmental conduct at the bank; we encourage employees to continue to be frugal in the consumption of disposable resources, save electricity, minimize printing to the extent possible, use water resources efficiently and sparingly, and use the recycling facilities located throughout the bank's buildings.



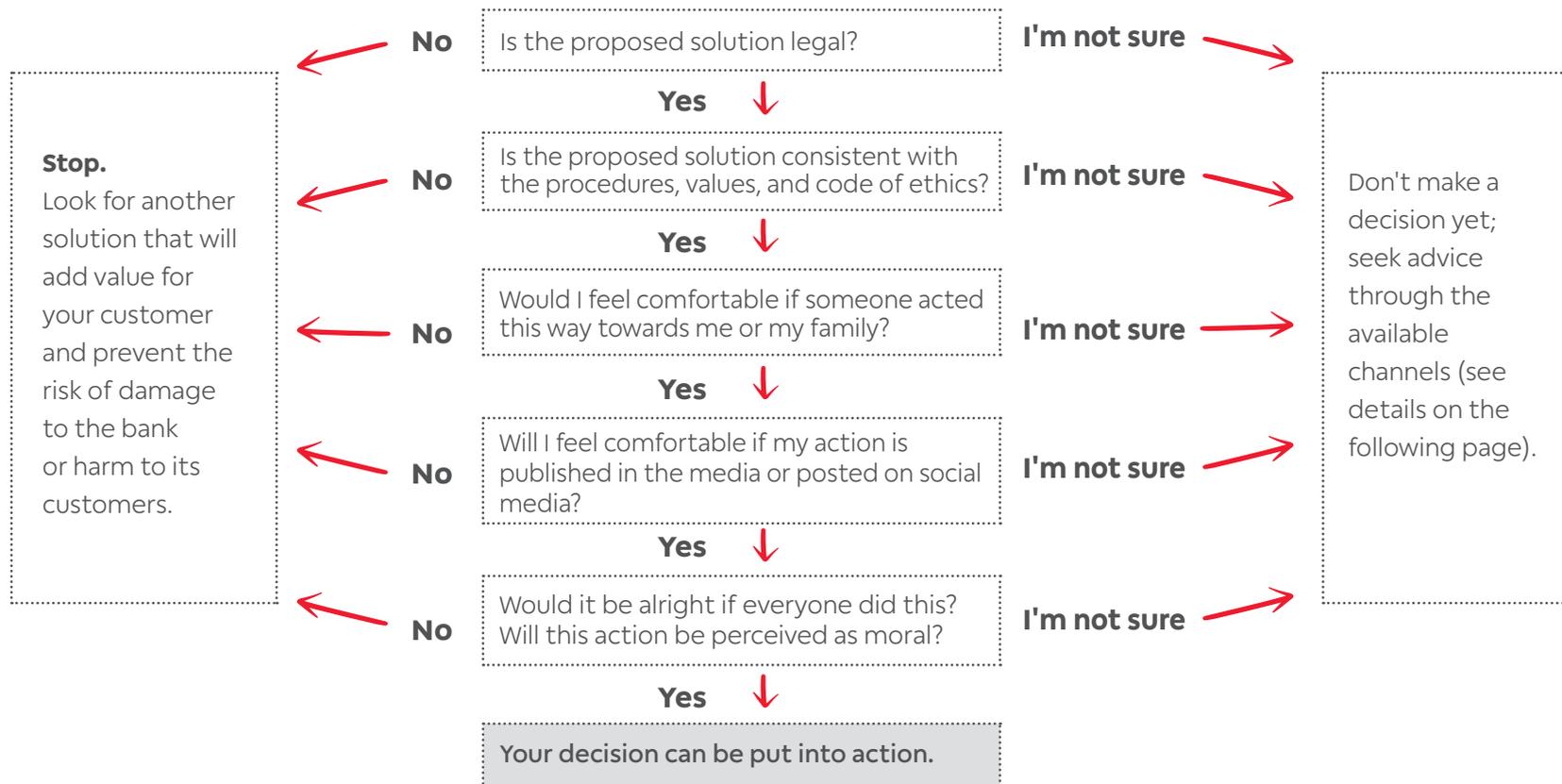
Coping with ethical dilemmas



What is an ethical dilemma?

An ethical dilemma is a situation in which you must make a decision, within your position, profession, and authority, that involves a choice between conflicting interests or moral values, each of which is worthy and desirable in its own right.

Decision-making model – when confronted with an ethical dilemma, ask yourself:



Channels for consultation and reporting





We promote an ethical culture at the bank; we encourage every employee who encounters a dilemma or a suspected ethics violation to contact one of the reporting channels, without hesitation, in the knowledge that the bank provides the necessary protection to those who do so.

Further, we see it as our duty to assist employees in these matters by providing information, guidance, and a response to their questions, through supervisors, the authorized functions at the bank, and the channels established to handle these matters.

Open queries

- Direct or indirect supervisors
- Chief Compliance Officer: 972-3-637-1339, 972-33-567-3788
- Internal Audit: 972-3-714-2928

Anonymous queries

Employees may submit an anonymous complaint to the following addresses:

For BankPozitif employees:

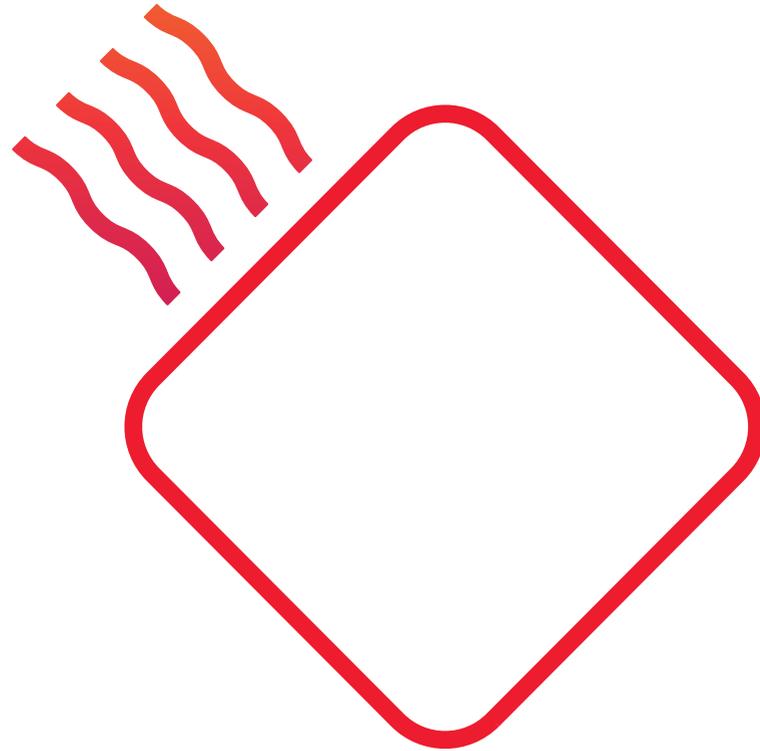
iç Denetim – Etik hat
Bank Pozitif Kredi ve Kalkınma Bankası A.S.
Rüzgarlıbahçe Mahallesi Kumlu Sokak No 3
Kavacık, Beykoz, İstanbul

For BHI USA employees:

Mr. David Hertz
1120 Avenue of the Americas
NWR YORK, NY 10036

In cases of sexual harassment

- Open or anonymous query to the Supervisor of the Prevention of Sexual Harassment: Idit Slavin, 972-3-714-2229
- Open or anonymous query to regional operations managers (sexual harassment prevention trustees)



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