



**Intelitek Inc.**

## **CODE OF BUSINESS CONDUCT AND ETHICS**

The value of uncompromising integrity, strict compliance with applicable laws and full, fair, accurate and timely disclosure are the foundations of Intelitek Inc., and its affiliates (the "**Company**" or "**we**") relationships with our customers, business partners, shareholders and among one another.

Our employees, directors and officers ("**Covered Persons**" or "**you**") are held to the highest standards of honest and ethical conduct when conducting the affairs of our Company and any affiliate of our Company.

In particular, the purpose of this Code is to establish policies and guidelines that ensure and/or promote:

- Honest and ethical conduct, including the ethical handling of conflicts of actual or apparent conflicts of interest between personal and professional relationships;
- Full, fair, accurate, timely and understandable disclosure in reports and documents required to be filed by us with, or submitted to the Securities Authority and in other public communications required to be filed by us;
- Compliance with applicable laws, rules and regulations;
- Prompt internal reporting of violations of this Code; and
- Accountability for adherence to this Code.

This Code of Business Conduct and Ethics covers a wide range of business practices and procedures. It does not cover every issue that may arise, but it sets out basic principles to guide Covered Persons in matters involving business conduct and ethics. All Covered Persons must conduct themselves accordingly and seek to avoid even the appearance of improper behavior. In addition, Company policies apply to various Company operations and you need to know and follow those policies that apply to your Company work.

If a law conflicts with a policy in this Code, you must comply with the law. Also, if a local custom or policy conflicts with this Code, you must comply with the Code. If you have any questions about these conflicts, you should ask your supervisor or, if appropriate, one or all of the individuals identified below as the Compliance Officers for guidance on how to handle the situation. Covered Persons are responsible for understanding the legal and policy requirements that apply to their jobs and reporting any suspected violations of law, this Code or Company policies in accordance with the procedures set forth below.

The basic principles discussed in this Code are subject to any Company policies covering the same issues, and Covered Persons are expected to refer to the Company's specific internal policies and procedures when implementing the general principles set forth in the Code.

## **1. Honest and Ethical Conduct**

All Covered Persons will:

- Conduct their personal and professional affairs in a way that avoids both actual and apparent conflicts of interest between their interests and the interests of the Company. A "conflict of interest" exists when a person's private interest interferes in any way with the interests of the Company. A conflict situation can arise when a Covered Person takes actions or has interests that may make it difficult to perform his or her Company work objectively and effectively. Conflicts of interest may also arise when a Covered Person, or a member of his or her family, receives improper personal benefits as a result of his or her position in the Company.
- Refrain from engaging in any activity that would compromise their professional ethics or otherwise prejudice their ability to carry out their duties on behalf of the Company. For example, it is a conflict of interest for a Covered Person to work for a competitor, customer or supplier. You should avoid any direct

or indirect business connection with our customers, suppliers or competitors, except as required by your work on the Company's behalf.

- Refrain from disclosing Company confidential information, or confidential information of the Company's clients and customers, acquired in the course of their work except where explicitly authorized otherwise by the Company's management in accordance with the Company's written procedures (such as signatory rights procedure or Prohibition of insider trading), to a third party bound to confidentiality (such as banks, Insurance companies, accountants, legal advisors or third parties that have executed Non-Disclosure Agreements) and unless legally obligated to do so.
- Refrain from using or appearing to use confidential information acquired in the course of their work for unethical or illegal advantage, either personally or indirectly through others. Without limiting the generality of the foregoing statement, all non-public information about the Company should be considered confidential information. Covered Persons who have access to confidential information about the Company or any other entity are not permitted to use or share that information for trading purposes in the Company's or any other entity's securities or for any other purpose except the conduct of the Company's business. To use non-public information for personal financial benefit or to "tip" others who might make an investment decision on the basis of this information is not only unethical but also illegal.
- Covered Persons are prohibited from taking for themselves opportunities that are discovered through the use of corporate property, information or position without the consent of the Board of Directors. No Covered Person may use corporate information, or position for personal gain, and no Covered Person may compete with the Company directly or indirectly. Covered Persons owe a duty to the Company to advance the Company's interests when the opportunity to do so arises.

## **2. Protection and Proper Use of Company Assets**

All Covered Persons should protect the Company's assets and ensure their efficient use. Theft, carelessness, and waste have a direct impact on the Company's profitability. Any suspected incident of fraud or theft should be immediately reported for investigation. The obligation of Covered Persons to protect the Company's assets includes the Company's proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks, and copyrights, as well as business, marketing and service plans, engineering and manufacturing ideas, designs, databases, records, salary information and any unpublished financial data and reports. Unauthorized use or distribution of this information is a violation of Company policy. It could also be illegal and result in civil or criminal penalties

Covered Persons must maintain the confidentiality of proprietary information entrusted to them by the Company or its customers or suppliers, except when disclosure is authorized in writing by the Chief Financial Officer or required by laws or regulations. Proprietary information includes all non-public information that might be of use to competitors or harmful to the Company or its customers or suppliers if disclosed. It includes information that suppliers and customers have entrusted to us.

## **3. Full and Fair Disclosure in Financial Records and Reports**

As our affiliated holding company is a public company, the Company's filings with the Securities Authorities must be accurate and timely. The Company expects Covered Persons to take this responsibility very seriously and provide prompt and accurate answers to inquiries related to the Company's public disclosure requirements.

The Company's policy is to comply with all financial reporting and accounting regulations applicable to the Company. If you have concerns or complaints regarding accounting or auditing matters of the Company, then you are encouraged to submit those concerns by one of the methods described in this Code.

Public communications about material events or developments concerning our Company must be complete, fair, accurate and

broadly disseminated to the public in accordance with all applicable legal and regulatory requirements. In order to achieve these goals, Covered Persons are required to comply with the following:

- If a Covered Person becomes aware of material information that affects the disclosures made or to be made by the Company in its filings with the Securities Authorities or submissions or other public communications, he or she should promptly bring such information to the attention of the company personnel responsible for preparing such disclosures.
- A Covered Person should bring to the attention of our Audit Committee (Mr. Ron Sandak, serves as the chairman of the Committee and can be reached at: [ron@sandak-dan.net](mailto:ron@sandak-dan.net) or at Tel: +972-52-861-7072) any information, of which they are aware, concerning (i) significant deficiencies in the design or operation of internal controls which could adversely affect the company's ability to record, process, summarize and report financial and non-financial information concerning the company or (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in the company's reporting, disclosures or internal controls.

#### **4. Compliance with Applicable Laws, Rules and Regulations**

Covered Persons and all of our agents and affiliates are required to comply and strictly adhere to all applicable laws, rules and regulations. In addition, all our employees, officers and directors are required to comply and strictly adhere to the Company's guidelines and procedures, as will be approved by the Board of Directors or by the Company's management, from time to time, and as published on the Company's internal website from time to time.

Laws and customs vary throughout the world, but all Covered Persons must uphold the integrity of the Company in other nations as diligently as they would do so in the country where they are currently based. When conducting business in other countries, it is imperative that all Covered Persons be sensitive to foreign legal requirements local and United States laws that apply to foreign operations, including the Foreign Corrupt Practices Act. The Foreign Corrupt Practices Act generally makes it unlawful to give anything

of value to foreign government officials, foreign political parties, party officials, or candidates for public office for the purposes of obtaining, or retaining, business for the Company. Employees should contact the Compliance Officers if they have questions concerning a specific situation.

## **5. Competition and Fair Dealing**

We seek to outperform our competition fairly and honestly. We seek competitive advantages through superior performance, never through unethical or illegal business practices. Stealing proprietary information, possessing trade secret information that was obtained without the owner's consent, or inducing such disclosures by past or present employees of other companies is prohibited. Each Covered Person should endeavor to respect the rights of and deal fairly with the Company's customers, suppliers, competitors and employees. No Covered Person should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other illegal trade practice.

No Covered Person shall engage in price fixing, bid rigging, allocation of markets or customers, or similar illegal anti-competitive activities.

To maintain the Company's valuable reputation, compliance with our quality processes and safety requirements is essential. All inspection and testing documents must be handled in accordance with all applicable specifications and requirements.

The purpose of business entertainment and gifts in a commercial setting is to create goodwill and sound working relationships, not to gain unfair advantage with customers. No gift or entertainment should ever be offered, given, provided or accepted by any Company employee or officer, family member of an employee or officer, or agent unless it: (1) is not a cash gift, (2) is consistent with customary business practices, (3) is reasonable in value, (4) cannot be construed as a bribe or payoff and (5) does not violate any laws, regulations or applicable policies of the other party's organization. Please discuss with your supervisor any gifts or proposed gifts which you are not certain are appropriate.

## **6. Prompt Internal Reporting of Violations of this Code**

Covered Persons are required to identify, promptly report and correct any violation of this Code, or any law, rule or regulation applicable to the Company or the operation of its business.

Covered Persons must report any such violations to one or more of the following (the "**Compliance Officers**"):

- The chairman of the Company's Audit Committee, Mr. Ron Sandak, who can be reached by email at: [ron@sandak-dan.net](mailto:ron@sandak-dan.net) or by tel: +972-52-861-7072)
- The Company's internal auditor, Mr. Adi Yarimi (CPA), who can be reached by e-mail at: [adi@ccrcpa.co.il](mailto:adi@ccrcpa.co.il) or by tel: +972-3-6489858 extension 216.
- The Company's General Legal Counsel, Ms. Tchiya Rotem Fortus, Adv., that can be reached by e- mail at: [trotemfortus@intelitek.com](mailto:trotemfortus@intelitek.com) or by tel: +972-3-900-4003 or +972-54-7755419
- Consistent with the Company's Open Door process (as detailed below), Covered Persons may address an issue arising under this Code with his or her manager or with any other person in the management chain, including the Executive officer or any officer of the corporation.

## **7. Open Door Policy**

The Company encourages employees and officers to raise work related issues and concerns with the direct manager, as soon as possible after they arise. When necessary, the Open Door Policy allows the employees and officers to raise the issue with another manager, such as a department head or another manager up to and including the Executive Office.

## **8. Complaints Box**

In addition, if an employee is not comfortable using the "Open Door" to get answers to his or her questions or concerns, the Company has a complaints box, located near the front desk. Any

employee may anonymous address the Company, in any issue, including any violation of this Code, or any law, rule or regulation, applicable to the Company or the operation of the Company's business. The box will be opened once a week by the Company's Legal Counsel.

## **9. Non- Retaliation Policy**

The Company does not tolerate any retaliation against anyone who in good faith reports possible violations of law, the Code, or other Company guidelines, or who asks questions about ongoing or proposed conduct. Any Covered Person who, directly or indirectly, engages in any form of retaliation in connection with good faith reporting under this Code will be subject to disciplinary action, including up to termination of employment or dismissal.

Covered Persons who believe they have experienced retaliation for reporting possible violations should contact the Company's Legal Counsel.

## **10. Accountability for Adherence to this Code**

Each Covered Person is responsible for reading, understanding, and following the Code. The Company will take appropriate disciplinary actions for violations of this Code. Such disciplinary actions include, but are not limited to, penalties and even dismissals. Anyone who violates the law may also be subject to civil and criminal penalties.

## **11. Amendments and Waivers of this Code**

Directors and Executive Officers. A director or executive officer may submit to the compliance officers a written request for a waiver of the Code only if he/she can demonstrate that such a waiver is necessary to alleviate undue hardship or in view of unperceived circumstances or is otherwise appropriate under all relevant facts and circumstances; will not be inconsistent with the purposes and objectives of this code; will not adversely affect the interests of clients of the Company or the interests of the Company; and will not result in a transaction or conduct that would violate provisions of applicable laws or regulations. The Compliance Officer will forward the waiver request to the Board of Directors of the Company or a committee thereof for consideration. Any decision to grant a waiver from the Code shall be at the sole and absolute discretion of the appropriate board or subcommittee thereof.



Other Covered Persons. Waivers of the Code for other Covered Persons (non-directors, not executive officers of the Company) may be submitted to the Compliance Officers. Any such request shall demonstrate that the waiver would satisfy the same requirements applicable to directors and executive officers. The decision to grant a waiver request shall be at the sole and absolute discretion of the Compliance Officers.

## **9. Acknowledgement**

To help ensure compliance with this Code of Business Conduct and Ethics, the Company requires that all Covered Persons review the Code of Business Conduct and Ethics and acknowledge so in writing.