

IDB Development Corporation Ltd. Code of Ethics

1. Introduction

IDB Development Corporation Ltd. (the "Company"), as part of the IDB Group, believes that the values of credibility, fairness, professionalism, integrity, respect for the law, commitment to respecting human dignity, equal opportunity and treatment without regard to religion, community, race or sex, commitment to preserving the environment, social responsibility and contribution to the community in which the Company and the IDB Group operate, are basic values which underlie the Company's business activity and its relationships with its shareholders, partners, employees, officers, creditors, suppliers, competitors, government authorities and the community in its entirety. The positioning of the IDB Group and the Company's positioning as a leading holding company and their long-term sustainability are founded to a large extent upon these values.

The purpose of this code of ethics is to establish the basic core values according to which, among others, the Company acts, in a set of mandatory rules of conduct for its officers, managers and employees (referred to together, in this code, as "Employees" or "Company Employees").

The Company, as part of the IDB Group, complies and instructs its Employees to comply with, uphold and respect the law and to fully and completely abide by its provisions in any field in which the Company operates. Furthermore, this code of ethics is not limited merely to compliance with the provisions of the law, but also includes broader norms of conduct.

It is clarified and emphasized that this code of ethics is not an exhaustive and detailed guide to any and all situations Employees may confront in the context of their employment or activity in the Company. Moreover, the principles and rules set forth in this code of ethics are not the sole source of rules of conduct for Company Employees. Therefore, in upholding and implementing the principles of this code of ethics, reasonable and appropriate discretion should be exercised, and such principles should be implemented together with the relevant provisions of law and procedure.

2. Employees' Rights

The Company, as part of the IDB Group, regards human capital as a central component in its success, and acts for its human capital to consist of reliable employees with suitable personal capabilities and professional skills. The Company is committed to upholding its Employees' rights and ensures that their employment conditions and activity are proper and that their lawful rights are respected.

3. Link to Israel: Contribution and Assistance to the Community

The Company is an Israeli company, which was incorporated in Israel and whose offices are located in Israel. The Company, as part of the IDB Group, regards contribution and assistance to the Israeli community as a central tier in its business vision, and believes it has a responsibility towards Israeli society, based upon the recognition that business leadership goes hand in hand with socio-ideological leadership. Therefore, along with the

Company's desire, aspiration and action to maximize value for its shareholders, ongoing assistance to the community in Israel is positioned as a top strategic principle.

As part of the Company's vision, it is guided by the belief that the fate of the State of Israel depends first and foremost on the unity of its people and on the readiness to enlist and contribute to improving the systems of life and to strengthening society's fortitude and endurance, based on the concept that the society we live in is no less important than the companies we run.

Due to its ongoing commitment to contribute to the development of the State and to boosting its strength, and due to the social and moral obligation of the IDB Group to act for Israeli society, the Group's companies contribute, directly and through the IDB Fund for the Community, a non-profit organization that coordinates contributions from central companies in the Group, to projects in different fields which the Group, in its vision and in the outlining of its social responsibility policy, has set as goals on which it wishes to focus. In this framework, priority is given to contributions in the fields of education, health, welfare, culture and sports. The Company encourages its Employees to take part in the community contribution and assistance effort, both within and outside the framework of their activity in the Company.

4. Compliance with the Law

Company Employees are required to respect the law and to fully and absolutely comply with its provisions in any area in which the Company operates, and in their capacity as such they are not allowed to breach or to cause the Company to breach any provision of law. In the context of their activity and duties in the Company, Company Employees are required to act with reasonable and appropriate discretion in accordance with the provisions of the law, regulations, mandatory directives of the relevant authorities, professional rules and the relevant procedures in the matters handled by them, and if necessary, and to the extent required, to seek the advice and examination of professionals.

5. Preventing Conflicts of Interest

Company Employees are required to act in good faith and in the best interests of the Company, including avoiding any act which poses a conflict of interest between their duties in the Company and other duties they have (if any) or their personal interests.

Since it is impossible to anticipate in advance all the situations in which a conflict of interest may arise, Employees are required to be mindful of and sensitive to this important issue. Conflicts of interest may also be vague and not straightforward. Therefore, in any case of doubt, Employees are required to consult with their supervisors in the Company. A Company Employee who encounters any actual or potential conflict of interest, is required to immediately notify his supervisor or the internal auditor thereof, and in the case of a director – the chairman of the board of directors.

6. Prohibition on Exploiting Business Opportunities of the Company

Company Employees are required to avoid exploiting business opportunities of the Company and to avoid using information that has reached them in the context of their employment with or duties in the Company, whether to procure a benefit for themselves or for another. Company Employees are further required to refrain from any action in competition with the Company's business.

7. Protecting the Company's Property and Ensuring Proper Use of its Facilities

Employees are required to preserve the Company's property and to use it properly for the Company's purposes only. Employees may not use the Company's property, other than in the context of their duties in the Company or for advancing its goals.

Every transaction, according to its subject matter, scope and nature, requires authorization by the appropriate management level. Any Employee who is responsible for the purchase or sale of assets in the Company's name, or who is authorized to commit on its behalf, shall exercise the authority and responsibility granted to him or her with reasonable discretion, without exceeding the powers conferred on him or her.

8. Prohibition on Inappropriate Granting or Receipt of Benefits

The Company prohibits the granting or receipt of payments or other benefits by the Company or a Company Employee to or from any person, State official or other body, for the procurement or retention of business or for influencing any business process, which, under the circumstances, are inappropriate.

In reference to the aforesaid, Company Employees shall report to their supervisor, and in the case of a director – to the chairman of the board of directors, of any instance of, or offer for, the granting or receipt of a benefit as aforesaid.

9. Prohibition on the Use of Inside Information

The Company is a public company whose securities are traded on the Tel Aviv Stock Exchange Ltd. Similarly, many of the companies held by the Company are public companies whose securities are traded on the Tel Aviv Stock Exchange Ltd. and/or other stock exchanges. The Company and its Employees are committed to full compliance with the provisions of the relevant laws regarding securities transactions and limitation of the use of inside information.

10. Records Retention

All of the Company's financial and other books, reports, declarations and records are required to be kept so as to faithfully reflect the transactions made by the Company and the state of its business, in accordance with the requirements of the law and the Company's internal control functions. No inaccurate or misleading information shall be recorded on the Company's books, and no moneys or assets of the Company shall be kept or managed so as to render them concealed or unreported. Employees shall comply with the Company's records retention procedures, as being from time to time.

11. Confidentiality

As a general rule, Company Employees are obligated to maintain in confidence any and all information having reached them during or due to their employment or by virtue of their position or duties in the Company, insofar as such information has not been publicly released by the Company.

12. Fairness

In the framework of their employment with the Company, Employees shall treat others fairly and respect their rights, and avoid exploiting unjust advantages over others, using manipulations, misrepresentations, or any other unfair action.

13. Responsibility for Upholding Proper Conduct

A Company Employee encountering a situation in which he or she believes that he or she or another Company Employee has breached, is breaching, or is about to breach a provision of this code of ethics and/or the law, shall immediately report the same to the internal auditor. The Company's policy prohibits any acts of retaliation against a Company Employee having so reported in good faith. Any and all conversations and correspondence – whether electronic or on paper – will be treated discreetly, subject to any law.