

Code of Ethics

Introduction:

The Company Sion Biotext Medical Ltd. (hereinafter: the "Company") and all of its subsidiaries (hereinafter: the "Group") regard ethical and responsible conduct in business communities in which they operate, as a necessary condition for their existence in the business world.

The Group believes that reliability, fairness, professionalism, integrity, observance of the provisions of the law, preservation of human life and dignity, providing opportunity and equal treatment regardless of religion, race and gender and social responsibility are basic norms underlying the Group's business activities and its relationships.

The Code of Ethics anchors in writing the basic values according to which, inter alia, the Group operates, and it is intended to consolidate the rules of conduct required of the officers, managers and employees of the Group.

The Group's Values:

The Company considers itself committed to fair, value-based and worthy business conduct. Each of the Company's employees has an important role in maintaining a high level of compliance with the law and the Code of Ethics, and the Company's compliance in the long-term. The purpose of the Code of Conduct is to promote a culture of honesty, reliability, respect for the law and the people with whom the Company works.

The Company expects every employee to adhere to high standards of ethical conduct, to exercise discretion and assist in maintaining proper procedures and management of the Company's business in accordance with the law and high ethical standards. Employees will be sensitive to any indication of unlawful or inappropriate behavior.

Application:

The Code of Ethics applies to all employees of the Group and its managers and to its officers. The Code of Ethics is intended to provide clear rules the purpose of which is to guide the Group's employees as to the standards required of them in the framework of their work in the Group. The Code of Ethics is a value-based infrastructure that does not replace the provisions of the law, rather it complements and adds to them. In any event of a conflict between the provisions of the law that apply to the activities of the Group and the provisions of the Code of Ethics, the provisions of the law prevail. It is clarified and emphasized, the Code of Ethics is not an exhaustive and detailed guide for all the situations that employees may encounter in the framework of their work or activities in the Group.

Compliance with the Provisions of the Law:

- It is prohibited for the Company's employees to engage in any activity that may create a conflict of interests or even a concern of the existence of a conflict of interests between the Company's interests and their personal interests. Company employees are required to avoid any situation that could cause them to fulfill their role in the Company when there is a conflict of interests.
- The Company's employees are required to act honestly and fairly with the suppliers and service providers to the Company. Situations of conflicts of interests are often created in dealings with suppliers. Decisions regarding selection of the supplier and procurement must

always be business decisions that will be made based on objective criteria that are external to a conflict of interests.

- The Company's employees are hereby entitled to receive from the Company's suppliers, various gifts that are symbolic with low monetary value that can be classified as public relations or reasonable and appropriate sales promotion in accordance with the circumstances and which will not affect the employee's decisions and prevent him from acting exclusively in favor of the Company.
- Any employee who encounters a case of a conflict of interests concerning him or his co-worker, must immediately notify his superior of it or the person in charge of the Code of Ethics in the Company.

The Group's Commitment towards its Employees:

The Group considers itself responsible for creating job security and stability among its employees and it invests many resources in providing appropriate conditions and establishing open and stable employment relationships. The Group acts to promote the rights and security of its employees by a commitment to prevent work accidents, protect the right of employees to unionize, avoid discrimination, avoid unfair employment conditions, prevent sexual harassment.

Safety at Work

The Group observes the relevant legal provisions and it creates a safe work environment for the purpose of maintaining the health and safety of its employees. The Group implements safety instructions in each of its facilities in accordance with the activities performed in it. It is the duty of each employee in the Group to ensure compliance with the relevant safety provisions relating to the safety of other employees and his personal safety in accordance with the nature of the work he performs. Each of the employees must report to the person in charge of safety at the facility where he is employed of any incident or concern of the existence of a safety incident and of any deviation from the relevant safety instructions.

Responsibility of Managers:

The Group requires its managers to set a personal example to employees, inter alia, in order to create a work environment that maintains and promotes proper behavior. In addition, the managers in the Group are required to ensure that the employees subordinate to them comply with the provisions of the law and comply with the procedures of the Group and this code.

Prohibition of Competition:

The Company's employees will refrain from any action that competes with the Company's business, and it will refrain from taking advantage of a business opportunity of the Company in order to obtain a benefit in favor of the employee or in favor of someone else (including the employee's relatives). It is also the duty of every employee to disclose to the Company any information or document regarding its interests which reached him by virtue of his status in the Company. Employees who maintain business relationships on behalf of the Company with various service providers associated with the Company, will act impartially while ensuring that the Company's best interests, within the framework of these relationships, prevail over considerations of personal benefit.

Prohibition of Abusing Status:

Company employees who are managers or superiors of other employees, will not abuse their status towards their subordinates in any personal matter that is unrelated to work, and they will refrain from receiving any benefit from their subordinates (such as financial guarantee, loan etc.). The Company's employees will not take advantage of their status in the Company to promote any of their personal interests or of anyone on their behalf, and they will not use the Company's name or their title in the Company for any activity other than their work in the Company.

Activities with the Company's Customers:

Employees of the Company and/or those acting on its behalf are prohibited from giving bribes and/or promising anything of value, with the intention of gaining a business advantage or other advantage, and they are prohibited from giving any benefits to any party, including to its private customers and to its customers who are public employees, directly or indirectly, in order to promote transactions, win tenders or gain any other advantage. If the Company decides to grant symbolic gifts (usually on the occasion of events/holidays, etc.), these will only be given by authorized employees, who will ensure compliance with the Company's procedures and the relevant provisions of the law in this regard.

Confidentiality:

The Company's employees and officers are committed to maintaining the Company's business and commercial secrets. The Company's employees are required to ensure careful and proper use of the various types of information in their possession and to maintain the confidentiality of the Company's information. The commercial business secrets include, inter alia, all the Company's documents, information about customers and various people with whom the Company has relationships, business plans and strategic plans.

Protecting the Company's Assets:

The Company's employees and officers are ordered to protect the Company's assets and ensure their proper use for the Company's business activities only. The Company's employees must use the Company's assets for the Company's needs and purposes only and it is prohibited to use them for private purposes. The Company's employees and officers will keep the property which is under their responsibility in proper condition, and handle it with due care, thriftiness and efficiency.

Additional Occupation while Working:

Company employees will refrain from any activity unrelated to their work while working, whether such activity entitles him to any remuneration or not, whether it is a private or public activity, unless the employee has received the prior written approval of his superior.

Rules of Conduct when Performing the Work:

The Company's employees and officers will observe the rules of safety at work, they will perform their duties in accordance with their professional judgment only, they will maintain a presentable appearance which fits their status and position and treat their colleagues with respect while cooperating with them. During work time, the Company's employees and officers will behave with respect, loyalty and honesty towards others, and will refrain from actions or statements concerning religion, community, race, gender or ethnic Group.

Hierarchical relationships:

Employees must follow work instructions of their superiors (subject to the provisions of any law and the provisions of this Code) in the context of conduct, in the context of work methods and in the context of work priorities. Employees and managers will not make any commitment or representation on behalf of the Company to an external party, except in accordance with the authorizations and signature rights in the Company.

Consultation:

Every employee or officer in the Company should consult with his superiors or another professional in the Company concerning the matter, when he has doubts about the proper course of action he should take in the framework of fulfilling his role in the Company.

Disclosure of Material Information which Requires Disclosure:

Every employee or officer in the Company must bring to the attention of his superiors any information that has reached him, which affects or may affect the public reports which the Company must submit.

The Commissioner for the Code of Ethics, Adv. Itay Troim

The Commissioner is available for the Company's personnel for guidance, instruction and advice in all matters involving proper conduct in accordance with the rules of the Code of Ethics. The **Commissioner's telephone number** 08-6898650.

Email address-itay@sn-medical.com

A Violation of the Code of Ethics is the same as a Disciplinary Violation:

With the adoption of the Code of Ethics in the Company, any violation of the Code of Ethics will constitute a disciplinary violation (and this is without derogating from further consequences of the violation, civil or criminal, when this involves a violation of a statutory duty.)