



The Code of Conduct

Introduction

Electra Consumer Products (1970) Ltd. is a subsidiary of Elco Holdings Ltd. The company is engaged in importing, manufacturing and marketing electrical consumer products and operating retail-marketing chains for electrical, food, sports and leisure products.

The company's employees and managers are in business contact and provide daily services to a wide spectrum of people, including: suppliers, customers and consumers who use the company's products and visit the chain's branches. This wide variety of relationships presents us with the challenge of maintaining professionalism, service, integrity and leadership in all interfaces within and outside the company. During the years of our activities, we have always viewed ethical conduct with the utmost importance, and we have implemented this concept in the work plans and in our daily conduct in each and every one of the areas.

The company has defined a code of conduct with the purpose of charting a path in the field of ethics as well. We believe that through the adoption of the code of conduct and its implementation, we make an additional contribution to the realization of the company's vision as a leading company in its fields.

Our worldview is that ethical conduct is in line with our established business vision.

We believe that ethical conduct requires making decisions consciously, while exercising judgment, and this is not passive conduct. The code of conduct includes principles that outline the way to realize Electra's spirit, values and ethics, and specifies the rules of conduct arising from this approach, and this way constitutes guiding principles for our conduct as an organization.

The code applies to all employees of the Electra Consumer Products Group and to all of its activities.

The combination of an excellent level of products from the leading brands in Israel and worldwide, uncompromising professionalism, reliability and responsibility towards our customers - these are what led and lead the Electra Consumer Products group of companies to be successful in its fields.



Vision

Our goal is to improve the quality of life of all our consumers, product by product, service by service, experience by experience.

Our mission is to be exposed to as many consumers as possible every day, and to continue to grow by establishing and enhancing networks, brands and products that will be the preferred destination of consumers in every place, time and way that suits them.

Our Values

Professionalism: be familiar with, know and perform the work in the best way, using accurate data and advanced tools.

Fairness: long-term relationships with business partners.

Caring: a warm, flexible and customized service for customers, giving them a sense of security that they are in safe and experienced hands.

Efficiency: a company that is united, flexible, agile, innovative and attentive to its customers.

Initiative: always one step ahead of everyone, and for the customers.

The Code of Conduct - when there is a doubt, there is no doubt

Our daily and varied activities present us with many questions that must be examined through the lens of the standards of society.

The code of conduct expresses these standards and the conduct that is expected of our people in every activity and interface. Because when there is doubt, there is no doubt. To this end, we train all group employees on the details of the code of conduct when they begin their position and once every year.

When a company employee encounters a doubt regarding an ethical matter, he must review the code of conduct and guiding rules or consult with his superiors in order to make sure that he will act in line with the code of conduct.

The code of conduct guides our conduct towards the various parties we work with including: customers, suppliers, employees, competitors, authorities and institutions, the community and the environment.

The patterns of conduct laid down below in the code of conduct are binding on all employees and managers of the company.



The values that appear in our code are, at their basis, human and universal values that can suit any person at any place and any time. We are trying to show how these values are reflected in our work in each of the interfaces. The rules of conduct do not replace or detract from the laws and regulations to which we are legally bound. The code is an additional layer that reflects our value approach and directs the manner in which the company and its people operate, but it does not constitute a legal document that binds the company and/or anyone on its behalf and will not form a basis for a claim, demand, or grievance against the company, its managers, employees or anyone who acted on its behalf.

We believe that our commitment to the code of conduct will continue to lead us to success and achievements in the future as well, and in this way we will also contribute to improving the business environment in which we operate.

Our People

Our people are the human capital, the driving force and the heart of Electra. We are committed to providing our employees with a fair, respectful and safe work environment at all company sites.

We encourage excellence, initiative and boldness and provide the company's people with support in processes, tools and training. In our day-to-day operations, we treat people with respect and are sensitive to individual needs. Our worldview at Elektra holds that a respectful and nurturing work environment contributes to the employee's quality of life, improves his performance and leads to mutual satisfaction. We aspire for Electra's leadership to be reflected in the human resource aspect just as it is reflected in the products, brands and the service, and we work to be a preferred and leading employer in the market.

Our Customers

The branches of the group's chain, and the array of technical service and call centres, provide service to thousands of consumers and products that are found in almost every home in Israel and are marketed under the various brands.

Based on this approach, we strive to provide a professional, attentive and focused response to each customer in every one of our areas of activity.



The principles that guide us are:

- A commitment to providing quality service to our customers, based on respect, care and attentiveness.
- Fairness, reliability, transparency and efficiency in handling our customers' inquiries, and investing resources in order to provide them with a professional and reliable service, while constantly reviewing ourselves and learning to improve.
- Safeguarding the customers' privacy and the confidentiality of information, and not disclosing it to external parties (except as required by law, government authorities or a court order).
- We strive to create long-term relationships with our customers and work to maintain our credibility in all the products and services we provide them.
- We do everything possible so that the users of the company's products enjoy a high quality and safe product, with an appealing and convenient interface of service and warranty.
- We are committed to the agreements we sign and do everything we can to ensure compliance with their terms.
- We adhere to purity of conduct and do not ask for or receive kickbacks from our customers.
- We have dialogues and conduct surveys to test customer satisfaction with the level of service, on a frequent basis.

Suppliers and Service Providers

The company has an extensive array of suppliers and service providers. We recognize the contribution of our suppliers to the company's business success and work in partnership and with fairness to realize the added values that result from this.

- We base our relationships with suppliers and service providers on cooperation and fairness.
- We provide our suppliers with the necessary information for performing their task, while protecting the privacy of our customers' information and protecting the information of our suppliers, including outsourcing



agreements, signing non-disclosure agreements, registering databases as required by law.

- We conduct our negotiations fairly, out of business respect for suppliers and service providers.
- We act with integrity and do not ask for or receive kickbacks from our suppliers.

Competitors and Working in a Dynamic Environment

We operate in a dynamic and competitive market. We recognize the importance of fair and respectful competition that supports efficient consumerism and see this as an opportunity for the further development of the company, for creating business vigilance and drive, and for continuous and ongoing improvement.

- We work to promote fair competition while ensuring that we provide reliable and clear information to our customers.
- We avoid taking actions that harm fair competition in the market.
- We act in accordance with the provisions of law.
- We conduct seminars on competition and antitrust laws for the company's employees, through our lawyers in the field, as part of the group's enforcement program.
- We provide legal support to our employees on an ongoing basis, and enable an environment that is supportive, available and open for consultation on the matter.

A Safe Work Environment

We recognize the importance of safe work as a necessary condition for our activities. We work in diverse and innovative ways to apply and implement the rules of safety, health and the environment.

We conduct training sessions, refresh procedures and encourage initiatives regarding the maintaining of safety at work and the implementation of the necessary precautions in our daily activities. We are committed to laws and regulations regarding health and safety at work and take steps to implement them. We encourage the application of these rules with an emphasis on two parallel courses of action:



1. Encouraging personal responsibility for the implementation of safety procedures - we conduct training sessions that highlight the importance of personal vigilance, preventive care and personal responsibility on this matter.
2. Use of control and audit systems - we reinforce the importance of safety audits in the field and monitoring of the remedy of any deficiencies.

Protection of the Company's Assets and Business Confidentiality

The company's employees are obliged to protect the company's assets and its property, tangible and intellectual, against loss, improper and/or illegal use, waste, damage or theft. The company's employees are obliged to take all necessary measures to maintain the company's business and commercial secrets and they are not allowed to disclose any information except to those who have been authorized to receive it. The company's employees are prohibited from trading directly or indirectly in the company's securities while utilizing inside information.

Leading to Quality

We believe in the strength of the company's brand which represents quality and enjoyment of use and experience of service. We are working to constantly improve the quality in all the variety of interfaces and operations, including in everything related to products, work processes and the treatment of employees. The company defines and maintains controlled processes at all levels of the organization and adopts the Israeli and/or international standard for managing its activities in the fields of production and service.

Environmental Responsibility

We are engaged in the production and exportation of air conditioners and heat pumps as well as the importation, marketing, distribution and sale of various electrical consumer products. We are aware of the fact that acting responsibly in this field can benefit the quality of the environment for years to come and, accordingly, we view the issue as a challenge and take steps towards its implementation.

- We are committed to raising awareness for the protection of the environment.
- We are working to implement steps that will improve the production, storage and recycling processes that have an impact on the environment.



- We manufacture and market a variety of "green" and energy efficient products and work towards the development of leading energy saving technologies.
- We recycle electrical products (air conditioners, refrigerators, etc.) in a dedicated recycling plant specifically established for this purpose.

Our Commitment to the Community

As a leading company in its field, Electra considers itself responsible not only for its employees and its business goals, but also for the country and the community in which it operates. Developing a strong and continuous relationship with the community and the nation is an integral part of the company's activities. Electra's social responsibility is reflected in proactive collaborations with various parties and includes a material contribution and an ongoing contribution that includes the active participation of the company's employees.

- We are aware of social needs and are committed to contributing to the community and society in which we operate.
- We encourage employee volunteering and consider it an important part of strengthening our relationship with the community.

Shareholders and Investors

In our relationship with shareholders and investors:

- We are obliged to act in the best interest of the company and to preserve and maximize the investment according to fiduciary duties and duties of care.
- We have an obligation towards the shareholders to disclose material information concerning the company and its business while ensuring the clarity, completeness and accuracy of our reports.

Commitment to the Law at Electra Consumer Products (1970)

Electra Consumer Products, as a leading public company, is committed to compliance and adherence with the provisions of law. We act with respect, understanding and transparency in our interactions with the various authorities and we are committed to complying with the procedures and the legal requirements of the competent authorities.



Our Relationship and our Commitment as an Organization Towards the Employees of the Company

Rights and Terms of Employment, Fairness and Respect for the Individual:

- We protect the rights of Electra employees in accordance with the law and the various agreements that bind us. In addition, we are aware of the rights of contractor and temporary workers employed by the company and ensure their implementation.
- We work to provide our employees with clear and transparent information regarding their rights and obligations.
- We reward our people fairly and protect their rights as such are defined by law.
- We respect the privacy of employees and use information that is in our possession only for the purpose of routine activities and in accordance with the requirements of law.
- We treat our employees fairly and without discrimination. We promote employees and make decisions regarding them based on pertinent considerations (skills, abilities, performance, etc.) without discrimination based on any background (race, religion, sex, origin, sexual orientation, etc.).
- We strive to maintain a work environment free from any form of harm or illegal harassment, including sexual harassment, and this includes training employees on this matter.
- We support the personal and professional development of our employees and invest in training, guidance and development of managerial skills.
- We work to promote processes that encourage dialogue with employees and the development of open channels of communication.
- We work to encourage excellence and initiative among employees as a process that helps empower employees and encourage innovation.
- We carry out professional training sessions for managers and employees on fairness and respect of the individual.



Our way of implementation

In order to allow every employee in the Electra Consumer Products Group to apply the rules of ethics expected of him, we will continue to work to integrate the code into the company in an orderly and continuous way.

- We will continue to conduct professional training sessions for all company employees, both upon entering a position and once a year.
- We will continue to critically examine our actions and activities and promote our activities in every field in the spirit of these rules.
- Every employee who encounters a case that does not comply with these rules is obliged to contact their direct manager or the person in charge of the code of conduct at human resources to report the issue and resolve it.
- Employees who contact and report a violation of the rules of ethics and/or raise dilemmas, are guaranteed to receive a response to their inquiries and to be protected and not suffer harm due to their report.
- We will act to immediately deal with the violation of these rules of ethics and will take the necessary measures, in accordance with the company rules and the law, to deal with the issue and its causes.
- For any question on the subject, you can contact the person in charge of implementing the code of conduct in the company: Anat Barkan, VP of Human Resources, whose door is open to every employee.

We believe that by way of mutual responsibility, integrity and fairness - we will continue to lead in the business arena, provide impeccable service to our customers and be a warm and nurturing workplace for our people and a supporting body for the community in which we operate.

In every transaction or sale, we ask our employees to examine themselves and ask:

- Is the move/deal/sale being performed in a lawful manner?
- Does the move comply with the company's directives and procedures?
- Would a reasonable person think that the move is proper and appropriate?
- Would the move possibly cause an employee a sense of discomfort or shame if it is known to others that it was done by him?



The Employees' Obligation

- In all of our activities, we see ourselves as representatives of the company and act in a way that respects our dignity both as individuals and as representatives of the company.
- We are directed to act with honesty, reliability and fairness.
- We are instructed to refrain from giving or receiving gifts and benefits of any kind with any of the parties we work with, unless they were given or received in accordance with the company's guidelines and the law. In a situation where there is doubt, the manager, the human resources department and/or the legal department of the company should be consulted.
- We avoid any situation of conflict of interest between our commitment to the company and our other commitments (personal or business) to customers or suppliers with whom we are in family relationships, business relationships, social relationships or for any other reason. We also refrain from exploiting our positions in the company for the purpose of achieving personal goals or profits and refrain from any action of any kind that is a form of competition with the company's business.
- We are required to be vigilant and take personal responsibility to prevent sexual harassment of any kind. The guidelines on the matter and the names of the relevant contacts are displayed on the notice boards in the company and are presented to managers and employees in the training and induction processes.
- We are bound not to trade in the company's securities while exploiting inside information.
- We are bound not to use the company's facilities as a place for instigating and promoting political objectives or moves.
- We are bound to safeguard the company's business information and are bound not to disclose information and not to exploit existing knowledge for any purpose that is not defined in the job description and the organizational task.



- We are committed to protecting the company's intellectual property, including patents, developments, ideas, initiatives and inventions developed in the company or within its framework.

We are Here for You

As an employee of the company, you are welcome to contact us with any questions or dilemmas. Every day we all encounter situations in which the appropriate way of conduct is not clear-cut and there are a number of alternatives for action.

In addition, the principles that guide us in the code of conduct may not provide a complete answer to a variety of possible cases.

- Would you like to consult about ethics or compliance with procedures?
- Do you have any doubts about the proper course of action?
- Is there a feeling that existing conduct does not correspond to the principles that guide us?
- Does something not seem right to you?

We invite you to raise questions, present dilemmas, examine ambiguous conduct in advance.

There are a number of options that are available to you:

- You may contact your direct supervisor.
- You may contact the division manager.
- You may contact the division's human resources manager.
- You may contact the vice president of human resources in the company, who is in charge of ethics, by telephone at 03-9530929.
- You may also contact the company's legal advisor.