

Code of Ethics

07/2018

[Horizon Electronics Ltd.](#) believes in integrity, fairness, and taking responsibility towards its employees, customers, suppliers, shareholders, and competitors. Each of our employees is responsible to uphold the law and the highest ethical standards.

[Horizon Electronics Ltd.](#) chose to define an ethical code that delineates the standards to which each and every employee, including management, is held. This code does not cover (nor could it cover) each and every possible issue that may arise. Rather, it provides guidance to a set of principles we are all obligated to follow.

We expect from each company employee and organization that works with Horizon to always act according to this code.

For any question on any subject matter regarding acting to code, legality of an action, or its fairness, you may come to company management or to the company's legal counsel (Mr. Elad Elazar, Miron, Bension & Prywes, Advocates and Notaries).

The ethical code shall be presented to all employees from time to time, as a refresher. It is our hope and expectation that each of our employees understands what is behind this code and to add any detail that they see where it is proper to do so.

Aviran Weisler
CEO

Introduction

[The company has many obligations and commitments to many parties. Among them:](#)

1. [Company employees](#) – We are obligated to ensure that our workplaces are safe, fair, pleasant, and present full social equality and accessible. We are committed to creating a work place that encourages creativity, quality work, clear work guidelines, a professional perspective, business development, which allows our employees to blend their careers with their families and other activities.
2. [Customers](#) – We are committed to providing our customers with technologically advanced products that are safe, of high quality, fairly priced, and delivered on time.
3. [Suppliers](#) – The Company will engage in completely fair business practices with our suppliers and will choose suppliers that share our values and standards, and similar business practices.

4. **Shareholders** - We are obligated to our shareholders to preserve the assets, integrity and fairness, and management of the Company.
5. **Company competitors** – The Company will strictly adhere to the practice of fair and ethical competition, with integrity. The Company will refrain from distributing any damaging or inaccurate information about a competitor.

The Company is obligated to:

1. **Follow the law and regulations** – In any place in which the company operates, the Company is fully obligated to uphold the laws and regulations that apply. In any case of doubt regarding a law or regulation, contact the immediate supervisor, and when necessary, the Company's legal counsel.
2. **Confidential and proprietary information** – Horizon is contractually obligated with customers, suppliers, and others, and is bound to protect confidential or proprietary information. Because of this, and in order to safeguard sensitive information, each one of our employees and suppliers is obligated to maintain confidentiality. All information is deemed confidential by nature, whether gained directly or indirectly.
3. **Quality** – The Company is obligated to provide its customers with products that meet the full and complete standards, according to the agreed technical specifications, as per the contractual, environmental and safety demands. Every exception must be reported and approved by the company's costumers. Products that do not meet the full requirements must be reported in writing to the company's management.
4. **Environmental quality** – Horizon encourages recycling, conserving energy, and responsible waste handling and disposal.

Workplace Environment and Relations

Keeping the workplace pleasant, safe, fair, equal opportunity, and respectful is important to everyone. We must always act with fairness, respect, and integrity towards our colleagues and Company assets.

1. **Equal opportunity** – Horizon is obligated to provide an equal opportunity in every aspect of its business, in terms of employee relations, with no prejudice. We reject all prejudice on the basis of age, race, religion, nationality, political viewpoint, gender, sexual preference, personal status, or any other discriminatory designation. The Company is committed to respectful and equal treatment that has the sole intent of promoting professional interests.
2. **Work related laws** – Horizon is obligated to follow all of the laws and relevant regulations.

3. **Company rules of conduct** – Company employees are obligated to create an open and respectful work environment, with a culture of maintaining a business dialogue, mutual respect, and team work. Company employees must refrain from threatening, discriminatory, or violent (whether physical or verbal) behavior, and will similarly refrain from hurtful or disrespectful comments towards other employees. The Company culture is also obligatory towards those with which we work.
4. **Preventing sexual harassment** – The Company gives the utmost attention to the prevention of sexual harassment, as well as behavior that is related to sexual harassment. The Company will act with a “zero tolerance” policy in cases of sexual harassment and will take severe action in every case.
5. **Health and safety** – The Company is obligated to provide a safe work environment that meets all standards and regulations. This is a central value in the eyes of the Company and as such, the Company is committed to the training of each employee, so that he/she is capable of performing his/her job. We encourage workers to report on any breakdown or defect immediately to the safety supervisor at the Company.
6. **Protecting Company assets and proper use** – Company assets are solely for Company use. You must help the company protect its assets from misuse, damage, loss, excess wear, or theft. Personal use of Company property must be reported.
7. **Receiving gifts or benefits** – One must refrain from accepting gives and/or benefits in order to prevent a conflict of interest, or decisions which are not made on a strictly professional basis. One must refrain, as much as possible, from accepting gifts. Cash or cash equivalents are forbidden in any way. Gifts in an amount of over 50 NIS must be reported to your direct supervisor.
8. **Controlling expenses** – Employees are obligated to record properly, completely, and accurately in Company ledgers.

Customer Relationships

1. **Business conduct** – The Company and its employees are committed to the highest ethical standards and to work in a fair business manner. We will not allow ourselves to unfairly profit by the falsification of facts, breach of trust, use of confidential information, or in any other way that is unethical or unfair.
2. **Conflict of interest** – Company employees must be fully committed to the Company and to give their best efforts for the success of the Company. Therefore, any connection that an employee has, outside the scope of work, that may place him in a conflict of interest must be reported to a supervisor. Company employees must also refrain from the appearance of a conflict of interest. In case of doubt, it is recommended to consult with the Company’s legal counsel.

3. **Use of inside information** – We are obligated to safeguard information regarding customers, suppliers, or other business partners relating, among other things, to the manner of communication, communication details, product information, pricing, competitors, etc. Use of this type of information will be considered as use of inside information, which in many cases is forbidden under the law. In case of any doubt, it is recommended to consult with the Company's legal counsel.
4. **Unfair competition** – The Company expects its employees to engage in fair competition, with integrity. Unfair competition is anything that attempts to eliminate or infringe upon competition.
5. **Bribery** – Bribery is defined as offering a benefit to a person with the purpose of inducing him to make a decision that is not based on objective considerations. Company employees are forbidden from accepting or offering bribes for any purpose, or putting themselves in a situation where a bribe is implied.

[Confidential reporting on ethical infractions and violations](#)

Code violations are required to be reported to the Company's legal counsel, directly to the CEO, or the CEO's complaint box, according to your choice. The Company will keep your identity confidential, subject to the provisions in the law.

We are aware of the possible difficulty of taking this type of action.

The Company forbids anyone from harassing or harming the employees who file a report. The Company will take deterrent measures and punish parties who will discriminate or engage in harassment after a violation is reported.

Violations of the ethical code may result in significant sanctions taken against the violator, including dismissal. If a violation results in breaking the law, the issue could result in additional measures.