

**THE TRENDLINES GROUP LTD.
and Subsidiaries
(together, the “Company”)**

CODE OF BUSINESS CONDUCT AND ETHICS

1. Purposes of this Code

The Company is committed to a culture of honesty, integrity and accountability and strives to operate its business in accordance with the highest ethical standards and applicable laws, rules and regulations. This Code of Business Conduct and Ethics (this “Code”) outlines the principles that should guide all directors, officers and employees of the Company in the performance of their duties. For the purpose of this Code, any reference to “employees” or “employee” includes any director, officer, employee of, and person under contract with, the Company.

Employees of the Company must not only comply with applicable laws, rules and regulations but also must engage in and promote honest and ethical conduct and abide by the policies and procedures that govern the conduct of the business of the Company. The responsibilities of each employee include helping to create and maintain a culture of high ethical standards and commitment to compliance and, in the case of directors and officers, maintaining a work environment that encourages employees to raise concerns with management and promptly addressing employee compliance concerns.

This Code is not meant to be a complete list of all legal and ethical obligations of the employees of the Company. The Company provides this Code to its employees to offer guidance in properly recognizing and resolving the legal and ethical issues that they may encounter while conducting the business of the Company. Should an employee be confronted with a situation where further guidance is required, the matter should be discussed with a member of management or the Audit Committee of the Company (the “**Committee**”).

This Code is a statement of certain fundamental principles, policies and procedures that govern the employees of the Company in the conduct of the business of the Company. It is not intended to, and does not create, any rights relating to any employee, customer, supplier, competitor, shareholder or any other person or entity. This Code is not to be interpreted to modify or derogate from the duty or obligation of any employee as set out in any employment agreement or under applicable law.

For the purpose of this Code, the "Company" shall include the following Subsidiaries: Technology Incubator Misgav/Karmiel, Management Services Ltd, Trendlines Agtech-Mofet Ltd, Trendlines Medical-Misgav Ltd, unless the context requires otherwise.

2. Administration of this Code

The board of directors of the Company (the “**Board**”) has adopted this Code. The Board reviews this Code on an annual basis and has delegated compliance oversight and maintenance of the Code to the Committee. The Committee is responsible for monitoring compliance with this Code, for regularly assessing its adequacy, for interpreting this Code in any particular situation, for reviewing compliance with the Code, and for approving any changes to this Code from time to time.

The Committee, in consultation with the Board, reviews the Code and the process for administering the provisions of the Code on a yearly basis. The Committee updates the Board on a quarterly basis regarding compliance with the Code and reports any alleged violations to the Board, as necessary. The Committee may designate a compliance officer ("**Compliance Officer**") to maintain compliance by employees with the Code on a day to day basis.

In order to seek a waiver of this Code, full disclosure of the particular circumstance must be made to the Committee. Amendments to and waivers of this Code will be publicly disclosed as required by applicable laws, rules and regulations.

3. Conflicts of Interest

Employees have a duty of loyalty to the Company and are therefore expected to always act in the best interests of the Company. A conflict arises when the personal interests or activities of an employee influence or have the potential to influence the exercise of his or her judgment in the performance of his or her duties. Conflicts of interest and even the *appearance* of a conflict of interest may compromise the reputation of the Company and must be avoided.

The Company respects its employees' right to privacy in their personal activities and financial affairs. It is the responsibility of each employee to ensure that his or her personal conduct complies with the following principles, which are not intended to address every potential conflict situation.

- (a) Employment or Affiliation with a Competitor, Supplier or Customer: Employees may not act as directors, officers, employees, consultants or agents of entities that compete directly with the business of the Company or do business with the Company (such as customers, suppliers or business partners of the Company) without the prior written approval of the Committee. In addition, employees may not own, directly or indirectly, a beneficial interest in any of these entities unless an employee is making an investment in securities that are listed on a national or international securities exchange and the total value of the investment is less than three per cent of the aggregate value of the class of securities involved and the amount of the investment is not so significant that it could affect the employee's business judgement on behalf of the Company.
- (b) Independent Business Ventures: Full-time Employees may not engage in independent business ventures or agree to be employed by or, perform services, including membership on boards of directors, for other businesses without the prior written approval of the Committee and, where such approval is obtained, may only engage in such business or agree to perform such services if the activity does not interfere with the employee's devotion of time and effort to the conduct of the business of the Company or otherwise affect his or her ability to work effectively.
- (c) Personal Benefits, Gifts, Bribes and Kickbacks: Employees may not use their position as an employee of the Company to derive or secure any personal, financial or other benefit for themselves or their relatives. An employee may not solicit and/or accept any gift or favour from any portfolio company of the Company, competitor, supplier or customer of the Company or of its portfolio companies except to the extent customary and reasonable in amount and not in consideration for any improper action by the recipient. The offering or accepting of bribes, payoffs or kickbacks made directly or indirectly to obtain an advantage in a commercial transaction are strictly prohibited.

- (d) Reporting Conflict: Each employee is required to promptly disclose any actual or potential conflict of interest to the Company or its portfolio companies. Any transaction, relationship or interest that reasonably could be expected to give rise to a conflict of interest should be reported. Actual or potential conflicts of interest involving a director or executive officer should be disclosed directly to the chair of the Board and the Committee.

Although the principles above refer only to employees of the Company, employees should also exercise care to avoid actual or potential conflicts of interest that may arise because of the activities of their immediate family members and other members of their household.

4. Protection and Proper Use of Corporate Assets

All employees of the Company are expected to protect the assets of the Company and its portfolio companies and ensure they are used for legitimate business purposes only. Theft, carelessness and waste have a direct impact on the business and profitability of the Company. Any suspected incidents of fraud or theft should be immediately reported for investigation.

The assets of the Company and its portfolio companies include information, equipment, office supplies, hardware, software, intellectual property and time. Such assets may not be used for personal benefit, nor may they be sold, borrowed or given away without proper authorization. Occasional personal use of certain corporate resources (e.g. telephone, computer, fax or e-mail) is acceptable where the interests of the Company are not adversely affected. However, employees are expected to consult a member of management for approval if in doubt.

5. Inventions

The Company is legally entitled to all rights in ideas, inventions and works of authorship relating to its business that are made by any employee during the scope of his or her employment with the Company or while using the Company's resources.

6. Use of Communications Equipment and Services

Communications equipment, including E-mail, telephone, video systems and Internet services are provided to help employees perform their duties and responsibilities related to the Company. Incidental and occasional personal use is permitted, but use for personal gain or any improper purpose is not permitted. Employees may not access, send or download any information that could be illegal, insulting or offensive to another person, such as sexually explicit messages, cartoons, jokes, unwelcome propositions, ethnic or racial slurs or any other message that could be viewed as harassment. "Flooding" the systems of the Company with junk mail and trivia hampers the ability of the systems to handle legitimate corporate business and is prohibited.

Employees' messages (including voice mail) and computer information are considered corporate property. Subject to the Company obtaining the necessary consents if required by applicable law, the Company reserves the right to access and disclose this information as necessary for business purposes. Employees should use good judgment, and should not access, send messages or store any information that he or she would not want to be seen or heard by other individuals.

7. Disclosure

It is the policy of the Company to make full, fair, accurate, timely and understandable disclosure in compliance with all applicable laws, rules and regulations in all reports and documents that the Company files with, or submits to, securities regulators and in all other public communications made by the Company, as further set out in the Company's Disclosure and Insider Trading Policy. The management of the Company has the general responsibility for preparing such filings and such other communications and should ensure that such filings and communications comply with all applicable laws, rules and regulations. Employees must provide all necessary information to management when requested and must inform management if they become aware that any information in any such filing or communication was untrue or misleading at the time such filing or communication was made or if they have information that would affect any filings or communications to be made in the future.

The Company maintains accounting and internal control systems designed to provide reasonable assurance that the assets of the Company are safeguarded against loss and the financial records of the Company are reliable for preparing financial statements. No fraudulent or false entries should be made for any reason in the books, records, or accounts of the Company.

8. Corporate Opportunities

Employees owe a duty to the Company to advance its legitimate interests when an opportunity to do so arises. In this regard, employees may not appropriate for their own use, or that of another person or organization, the benefit of any business venture or opportunity which they learned about during the course of their employment, unless it is first offered to the Company and the Company decides not to pursue it.

9. Confidentiality of Corporate Information

During the normal course of business, employees may have access to, among other things, non-public information regarding the portfolio companies of the Company, customers of the Company, suppliers, operations, strategic plans, financial affairs, employees and trade secrets. This information is a key corporate asset and every employee has an obligation to protect it and keep it in the strictest confidence, except when disclosure is explicitly authorized pursuant to the Disclosure and Insider Trading Policy of the Company or when disclosure is legally required. The unauthorized use or disclosure of confidential information of the Company could destroy its value and give an unfair advantage to others. Care should be taken in disposing of documents containing confidential information, such as shredding documents, before discarding. Confidential information also includes any information relating to the business and affairs of the Company that results in or would reasonably be expected to result in a significant change in the market price or value of any securities of the Company or any information a reasonable investor would consider important in making an investment decision. Employees must not use confidential information for their own advantage or profit.

An employee's obligation to protect the confidential information of the Company and its portfolio companies exists whether or not the information is explicitly labelled as being confidential and the obligation continues even after leaving the employ of the Company.

Employees must adhere to the guidelines and policies set out in the Company's Disclosure and Insider Trading Policy, a copy of which can be obtained from the Committee.

10. Fair Dealing

The Company competes vigorously in its business dealings but is committed to practices that are fair and honest. In this regard, employees are expected to respect the rights of, and deal fairly with, the portfolio companies, employees, customers, suppliers, investors, shareholders, business partners, regulators and competitors of the Company. No employee may take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other intentional unfair dealing practice.

11. Gifts and Entertainment

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, suppliers, investors, shareholders, business partners, regulators and competitors of the Company.

Offering or receiving any gift, gratuity or entertainment should be avoided where such gesture might influence the judgment of the recipients or a third party in their business dealings with or on behalf of the Company or other party. These guidelines apply at all times, and do not change during traditional gift-giving seasons.

The value of gifts should be nominal, both with respect to frequency and amount. Gifts that are repetitive, regardless of the size, may be perceived as an attempt to create an obligation to the giver and are therefore inappropriate. Likewise, business entertainment should be moderately scaled and intended only to facilitate business goals.

The Company's policy on gifts and entertainment as set out above should be read in conjunction with the Company's Anti-Bribery and Anti-Corruption Policy, copies of which can be obtained from a member of the Committee.

12. Political Contributions

No funds or assets of the Company may be contributed to any political party or organisation or to any individual who either holds public office or is a candidate for public office.] Any employee engaging in personal political activities must do so in their own right and not on behalf of the Company and take care that it is understood that any such activity is in their own right and not on behalf of the Company. Corporate donations to charities made on behalf of the Company shall be within budgets approved by appropriate personnel.

13. Compliance with Laws, Rules and Regulations

The Company is subject to a number of laws, rules and regulations with respect to the conduct of its business. Employees are expected to maintain compliance with the letter and spirit of all laws governing the jurisdictions in which they perform their duties. This Code does not purport to address all areas of law that employees might encounter in the day-to-day business of the Company. The following areas, however, should be specifically noted:

- (a) Human Rights Laws: The Company values the diversity of its portfolio companies, employees, customers and suppliers and is committed to providing equal treatment in all aspects of the business. Abusive, harassing or offensive conduct is unacceptable, whether verbal, physical, visual or otherwise. The Company will not tolerate any conduct that is discriminatory or harassing or otherwise compromises an individual's human rights.

- (b) Privacy Laws: The Company is committed to maintaining the accuracy, confidentiality, security and privacy of the personal information of its customers, suppliers and employees. Employees who have access to personal information are expected to support the efforts of the Company to develop, implement and maintain procedures and policies designed to manage personal information.
- (c) Health and Safety Laws: The Company strives to comply with all applicable health and safety laws and regulations as part of its commitment to providing employees with a safe and healthy work environment. Employees have a responsibility to maintain this work environment. In this regard, employees are expected to work in a safe manner with due regard for their personal safety as well as that of their co-workers and to report accidents, injuries, hazardous equipment and unsafe practices. Employees are prohibited from engaging in the business of the Company while under the influence of alcohol or illegal drugs.
- (d) Environmental Laws: Cognizant of its responsibility to the environment, the Company strives to comply with all applicable environmental laws and regulations. Employees are expected to support the efforts of the Company to develop, implement and maintain procedures and programs designed to protect and preserve the environment.
- (e) Securities Laws: The Company is committed to protecting security holder investments and expects all employees to comply with the applicable reporting obligations and trading restrictions imposed by the Company, any securities commission or stock exchange. Employees who are in possession of material information about the Company must not trade in securities of the Company until such information is generally publicly available. Providing inside information to others who then trade on such information is also strictly prohibited. Employees should make themselves familiar with the trading policy and disclosure policy of the Company. Employees must adhere to the guidelines and policies set out in the Company's Disclosure and Insider Trading Policy, a copy of which can be obtained from the Committee.
- (f) Competition Laws: Competition laws are enacted to limit practices that are seen to impair the function of a free and open marketplace. A complete description of these laws is beyond the scope of this Code, however, they include price fixing, bid rigging, price discrimination, allocation of markets and boycotting of certain suppliers or customers. Employees having regular dealings with customers and suppliers should become familiar with the laws applying to these practices as non-compliance can result in severe penalties being imposed on both the Company and the individuals involved.

14. Payments to Domestic and Foreign Officials

Employees must comply with all laws prohibiting improper payments to domestic and foreign officials.

Applicable legislation may prohibit an offer, payment, promise of payment or authorization of the payment of any money or gift to a foreign official, foreign political party, official of a foreign political party or candidate for political officer to influence any act or decision of such person or party to obtain or retain business. Applicable legislation may also prohibit a payment to any person with the intention that all or a portion of that payment will be offered or given, directly or indirectly, to any such political

person for any such purpose. Although payments may not be illegal, the Company's policy is to avoid such payments.

Violation of applicable legislation may be a criminal offense, subjecting the Company to substantial fines and penalties and any employee acting on behalf of the Company to imprisonment and fines.

15. Standards of Compliance

(a) Initial Compliance

Employees, current and future, must:

- (i) become thoroughly familiar with this Code;
- (ii) resolve any doubts or questions about the Code with the Committee;
- (iii) inform the Committee of any existing holdings or activities that might be, or appear to be, at variance with this Code;
- (iv) prepare written disclosures of such information, if requested, by the Committee; and
- (v) take steps to correct existing situations and bring holdings and activities into full compliance with this Code; such steps will be approved in writing by the Committee and will be based on the written disclosure submitted by employees, officers or directors.

All employees will be required to personally certify that they have read the Code and agree to fully comply with its terms by signing the Form of Receipt and Acknowledgment attached to, and forming part of, this Code. Employees will be required to make such a personal certification on an annual basis.

(b) Maintaining Compliance

- (i) Employees have the responsibility to maintain their understanding of this Code.
- (ii) The Committee is responsible for maintaining awareness on the part of the employees of the importance of their adhering to this Code and for reporting deviations to the Board.
- (iii) As requested by the Board or the Committee, employees will be asked to verify their understanding of this Code and their compliance from time to time.
- (iv) Employees must inform the Committee, and any Compliance Officer, as applicable, of any changes in their holdings or activities that might be, or appear to be, in non-compliance with this Code. The Compliance Officer and the Committee will consult with the Board, as necessary.

- (v) Employees must prepare written disclosure of such changes, if requested the Committee, and any Compliance Officer, as applicable.
- (vi) Employees must take steps to correct any such changes, if necessary, to bring holdings and activities into full compliance. Such steps will be approved in writing and will be based on the written disclosures submitted by employees.

16. Violations of Standards

Employees who know of, or suspect, a violation of this Code or of any applicable law, rule or regulation have an obligation to immediately report this information to a member of the Committee and to the CEO's. The Committee will follow the procedure set out in the Company's Whistle blower Policy to investigate the violation.

In addition to any disciplinary action taken by the Company, violations of some provisions of this Code may require restitution and may lead to civil or criminal action against individual employees and any Company involved.

Retaliation in any form against an individual who reports a violation of this Code or of law in good faith, or who assists in the investigation of a reported violation, is itself a serious violation of this Code. Acts of retaliation should be reported immediately to the Committee and to the CEO's, and will be disciplined appropriately.