

## MEDIWOUND LTD.

### CODE OF BUSINESS CONDUCT AND ETHICS

#### **Introduction**

This Code of Business Conduct and Ethics (this “Code”) of MediWound Ltd. (the Company”) covers a wide range of business practices and procedures. The Code has been developed as a guide to our legal and ethical responsibilities to achieve and maintain the highest business and ethical standards. It does not cover every issue that may arise, but it sets out basic principles to guide all members of the Board of Directors (“Directors”), officers (“Officers”) and employees of the Company and its subsidiaries (collectively, “Company Personnel”). All Company Personnel must conduct themselves accordingly and seek to avoid even the appearance of improper behavior.

Those who violate the standards set forth in this Code will be subject to disciplinary action, including termination of employment. Part of the job and ethical responsibility of Company Personnel is to help enforce the Code. If you are in a situation that you believe may violate or lead to a violation of this Code, please follow the guidelines described in Section 15 of this Code.

The Company’s Chief Financial Officer (the “CFO”) or General Counsel is required to present the Code to all Company Personnel, who will be asked to sign the Certificate of Compliance attached to this Code upon the Code’s adoption or when joining the Company or its subsidiaries and thereafter every 18 months. The signature on the Certificate signifies that: (1) the individual has read this Code and has agreed to act in full compliance with its contents; and (2) the individual acknowledges that requesting or pressuring a Company or subsidiary employee to violate the Code is prohibited.

#### 1. Compliance with Laws, Rules and Regulations

Obeying the law, both in letter and in spirit, is the foundation upon which the Company’s and its subsidiaries’ ethical standards are built. All Company Personnel must respect and obey the laws of the countries and states in which we or our subsidiaries are incorporated or in which we operate, and any state or country in which the Company’s equity or debt securities are listed or quoted. Although not all Company Personnel are expected to know the details of these laws, it is important to know enough to determine when to seek advice from supervisors, managers or other appropriate personnel.

#### 2. Conflicts of Interest

A conflict of interest exists when a person’s private interest interferes in any way with the interests of the Company or its subsidiaries. You must avoid any personal activity, investment or association that could appear to interfere with your good judgment concerning the Company’s or its subsidiaries’ best interests. You may not exploit your position for personal gain. You should avoid even the appearance of such a conflict.

It is almost always a conflict of interest for Company Personnel to work simultaneously for a competitor or its subsidiaries. Further, employees and Officers of the Company or its subsidiaries may not work simultaneously for a customer or supplier of the Company or its subsidiaries. You may not, furthermore, serve as a consultant or board member for a competitor. The best policy is to avoid any direct or indirect business connection with our customers, suppliers or competitors, except on our behalf.

Conflicts of interest may not always be clear-cut, so if you have a question, you should consult with our management. Any Director, Officer or employee who becomes aware of a conflict or potential conflict should bring it to the attention of a supervisor, manager or other appropriate personnel, or follow the procedures described in Section 15 of this Code.

Loans to, and guarantees of obligations of, Company Personnel incurred for personal reasons can also present conflicts of interest. Under U.S. securities laws applicable to the Company and its subsidiaries, we are prohibited from making any direct or indirect extension of credit, renewal or modification of an extension of credit, or arrangement for the extension of credit, in the form of a personal loan, to any Director or executive Officer.<sup>1</sup>

3. Insider Trading

Company Personnel who have access to confidential Company and subsidiaries-related information are not permitted to use or share that information for securities trading purposes or for any other purpose except the conduct of our business. All non-public information concerning the Company and its subsidiaries should be considered confidential information. To use non-public information for personal financial benefit or to “tip” others who might make an investment decision on the basis of such information is not only unethical but also illegal. In order to assist with compliance with laws that prohibit insider trading, we have adopted a specific policy governing trading in the securities of the Company and its subsidiaries.

4. Corporate Opportunities

Company Personnel are prohibited from taking opportunities for themselves personally that are discovered by them through the use of corporate property, information or position with the Company or its subsidiaries, without the consent of our Board of Directors. No employee may use corporate property, information, or position for improper personal gain, and no Director, Officer or employee may compete with the Company or its subsidiaries directly or indirectly. All Company Personnel owe a duty to advance the legitimate interests of the Company and its subsidiaries when the opportunity to do so arises.

5. Competition and Fair Dealing

We seek to outperform our competition fairly and honestly. Under some circumstances, competition laws prohibit controlling the resale pricing of distributors, dealers, and retailers, disparaging a competitor, misrepresenting our own products or services, or exploiting a dominant market position.

Company Personnel are strictly prohibited from offering, promising, authorizing, paying, or accepting a bribe, kickback, or any other thing of value in order to influence any act or decision of a government official, or a business or procurement decision, to secure an improper advantage or to win or retain business. Government officials include any officer or employee of a government or of a business owned or controlled by a government, any political party or official thereof, and any candidate for political office. Personnel are also strictly prohibited from accepting any bribe, kickback, or other kind of inappropriate payment in return for favorable treatment by the Company.

Company Personnel supporting a U.S. Government contract should not offer or provide kickbacks, directly or indirectly, to any subcontractor or subcontractor employee. Further, such personnel should not solicit or accept kickbacks, directly or indirectly, from any subcontractor or subcontractor employee.

Aggressive marketing of our products and services should not include misstatements, innuendo or rumors about our competitors or their products and financial condition. Failure to comply with antitrust or competition laws could result in heavy fines for the Company and its

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<sup>1</sup> This prohibition does not apply to consumer credit such as open end credit plans or charge cards so long as such type of consumer credit is (a) made in the ordinary course of the Company’s consumer credit business; (b) of a type generally made available by the Company to the public; and (c) made on market terms or terms no more favorable than those offered by the Company to the general public for such types of loans.

subsidiaries and/or imprisonment of the Company Personnel involved.

All Company Personnel should endeavor to respect the rights of, and deal fairly with, the Company's and its subsidiaries' employees, customers, vendors, and suppliers. Company Personnel should not commit any act that involves theft, fraud, embezzlement or misappropriation of property, money, or services, including that of the Company, its subsidiaries, or its competitors or any of their employees, vendors, suppliers, or customers. Company Personnel should not obtain or provide competitors' contractor bid or proposal information or agencies' source selection information in connection with U.S. Government procurements.

#### 6. Gifts

The purpose of business entertainment and gifts in a commercial setting is to create good-will and sound working relationships, not to gain unfair advantage with customers. Although gifts may be acceptable in some commercial settings, Company Personnel should never offer or provide gifts or gratuities (including entertainment) to an officer, official, or employee of the U.S. Government.

No gift or entertainment should ever be accepted by any Company Personnel, or family member or agent of Company Personnel, unless it: (1) is not a cash gift, (2) is consistent with customary business practices, (3) is not excessive in value, (4) cannot be construed as a bribe or payoff, and (5) does not violate any laws or regulations. Please discuss with your supervisor any gifts or proposed gifts about which you are uncertain or that you suspect might not be appropriate.

#### 7. Employment Protections

The Company and its subsidiaries are committed to complying with all applicable employment and labor laws wherever they conduct business. This commitment includes observing laws that pertain to working conditions, wages, hours, benefits, and employee rights of association, expression, and privacy. It also includes laws that prohibit child labor, forced labor, human trafficking, employment discrimination, and harassment. As part of the Company's commitment to preventing human trafficking, the Company and Company Personnel are strictly prohibited from engaging in trafficking-related activities, which include, but are not limited to, participating in sex trafficking, procuring commercial sex acts (even if this practice is legal in a jurisdiction), using force, fraud, or coercion to subject a person to involuntary servitude, or obtaining labor from a person by threats of serious harm to that person or another person. Further, the Company and its subsidiaries strive to create a safe workplace. To this end, Company Personnel are responsible for compliance with all applicable health and safety rules and procedures. Duties must be performed in a manner that will not endanger Company Personnel or any other individuals. Company Personnel must promptly report all injuries, incidents, illnesses, safety violations, and unsafe conditions as well as any safety concerns to their supervisor. In addition, because the Company seeks to maintaining a workplace free of alcohol and illegal drugs, Company Personnel must be free of the influence of alcohol and illegal drugs while performing their job responsibilities.

The Company and its subsidiaries are further committed to providing a work environment that is free from all forms of discrimination on the basis of race, ethnicity, gender, creed, religion, age, marital status, disability or sexual preference. It is our policy to provide equal opportunity to all employees with respect to hiring, salary, training and development, promotion and other terms of employment. Employment decisions will comply with all applicable employment laws and regulations. We do not tolerate discrimination, libel, slander or harassment, including sexual harassment, in any form.

## 8. Record-Keeping

The Company and its subsidiaries require honest and accurate recording and reporting of information in order that, among other things, they can make responsible business decisions. For example, only the true and actual number of hours worked should be reported.

Directors, Officers and employees may regularly use business expense accounts, which must be documented and recorded accurately. If you are not sure whether a certain expense is legitimate, please ask your supervisor or your controller.

All of the Company's and its subsidiaries' books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect the Company's and its subsidiaries' transactions and must conform both to applicable legal requirements and to the Company's and its subsidiaries' system of internal controls. Unrecorded or "off the books" funds or assets should not be maintained.

Mistakes should never be covered up, but should be immediately fully disclosed and corrected. Falsification of any record is prohibited.

## 9. Preparation of Periodic Reports

The Company and its subsidiaries must provide full, fair, accurate, timely and understandable disclosure in the periodic reports that it is required to file with the U.S. Securities and Exchange Commission. Accordingly, it is the Company's and its subsidiaries' responsibility to establish and maintain disclosure controls and procedures (as defined under the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act")), and it is Company Personnel's responsibility to communicate to the Company's and its subsidiaries' management any and all information required to be disclosed in such periodic reports in a manner that allows for timely decisions regarding required disclosure. Furthermore, the Company's and its subsidiaries' management is required to design and supervise, and other Company Personnel are required to effect, the Company's and its subsidiaries' internal control over financial reporting (as defined under the Exchange Act), in each case, in a manner that provides reasonable assurance regarding the reliability of the Company's and its subsidiaries' financial reporting and its preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Accordingly, Company Personnel should bring to the attention of the Audit Committee of our Board of Directors (the "Audit Committee") any information of which they may become aware that is not otherwise recorded, processed or recorded via the Company's and its subsidiaries' disclosure controls and procedures and that affects the disclosures made by us in our public filings. Company Personnel should furthermore otherwise assist the Audit Committee in fulfilling its responsibilities as specified in its charter.

Company Personnel shall promptly bring to the attention of the Audit Committee any information that they possess concerning (a) significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's or its subsidiaries' ability to record, process, summarize and report financial information, and (b) any fraud, whether or not material, that involves management or other Company or subsidiary employees who play a significant role in maintaining the Company's and its subsidiaries' internal control over financial reporting.

Company Personnel shall promptly bring to the attention of the CFO as the compliance officer under this Code, or the Audit Committee, any information that they possess concerning any violation of this Code, including any actual or apparent conflicts of interest between personal and professional relationships, involving any management or other employees who play a significant role with respect to the Company's and its subsidiaries' financial reporting or public disclosures, or in maintaining the Company's and its subsidiaries' internal controls. The CFO shall promptly bring to the attention of the Audit Committee any information that he or she receives from Company Personnel, or any information that he or she may possess, concerning any violation of this Code, including any actual or apparent conflicts of interest between personal and professional relationships,

involving any management or other employees who play a significant role with respect to the Company's and its subsidiaries' financial reporting or public disclosures, or in maintaining the Company's internal controls.

Company Personnel shall promptly bring to the attention of the CFO or the Audit Committee any information that they possess concerning evidence of a violation of the securities or other laws, rules or regulations applicable to the Company or its subsidiaries or the operation of their business, by the Company, any subsidiary or any agent thereof, or of a violation of this Code. The CFO shall promptly bring to the attention of the Audit Committee any information that he or she receives from Company Personnel, or any information that he or she may possess concerning evidence of a violation of the securities or other laws, rules or regulations applicable to the Company or its subsidiaries or the operation of their business, by the Company, any subsidiary or any agent thereof, or of a violation of this Code.

#### 10. Protection and Proper Use of Company Assets

All Company Personnel should endeavor to protect the Company's and its subsidiaries' assets and ensure their efficient use. Theft, carelessness, and waste have a direct impact on our profitability. Any suspected incident of fraud or theft should be immediately reported for investigation.

Company and subsidiary equipment should not be used for non-Company or subsidiary business, though incidental personal use is generally permitted.

The obligation of employees to protect the Company's and its subsidiaries' assets includes their proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks, and copyrights, as well as business, marketing and service plans, engineering and manufacturing ideas, designs, databases, records, salary information and any unpublished financial data or reports. Unauthorized use or distribution of this information would violate Company and subsidiary policy. It could also be illegal and could result in civil or even criminal penalties.

#### 11. Conducting Business with the Government

The Company is committed to complying with all applicable legal and regulatory requirements unique to conducting business with the U.S. Government, as well as other foreign, state, and local governments. Company Personnel engaged in conducting business with a government are expected to comply with the rules established by U.S. Government (or other relevant government) customers for procuring products and services. Company Personnel must deal with government customer representatives in an atmosphere of openness and under circumstances that could not be interpreted to imply concealment, the appearance of an impropriety, or any conflict of interest. Company Personnel should seek guidance and instruction from the General Counsel whenever questions arise.

#### 12. Payments to Government Personnel

Because the Company and its subsidiaries are required to report to the U.S. Securities and Exchange Commission, the Company and its subsidiaries is subject to the U.S. Foreign Corrupt Practices Act (the "FCPA"), which prohibits giving, promising, or offering anything of value, directly or indirectly, to officials of foreign governments or foreign political candidates in order to obtain or retain business, influence government behavior, or to gain any improper advantage for the Company and its subsidiaries. It is strictly prohibited to make, offer, promise, or authorize direct or indirect illegal payments to government officials of any country.

In addition, there are a number of laws and regulations in various countries in which we operate regarding business gratuities that may be accepted by government personnel. The promise, offer or delivery to a government official or employee of a gift, favor or other gratuity in violation of

these rules would not only violate Company and subsidiary policy but could also be a criminal offense. As discussed in Section 6, offering or providing gifts and gratuities to U.S. Government officials is strictly prohibited. The Company, its subsidiaries and individuals may face significant civil and criminal punishment in both the United States and in other countries, including imprisonment, for violating the FCPA and local laws.

13. Waivers of the Code of Business Conduct and Ethics

Any waiver of any provision of this Code for executive Officers or Directors may be made only by the Board and will be publicly disclosed as required by law or stock exchange rules. Any waiver of any provision of this Code with respect any other Company Personnel must be approved in writing by the CFO. Waivers will be granted only as permitted by law and in extraordinary circumstances.

14. Obligations to the External Auditor

Company Personnel must be candid in all dealings with the external auditor of the Company's and its subsidiaries' financial statements (the "External Auditor"), and may not knowingly misrepresent facts or knowingly fail to disclose material facts, and must respond to specific inquiries and requests by the External Auditor.

Company Personnel must not take any action, or direct any person to take any action, to fraudulently influence, coerce, manipulate or mislead the External Auditor in the performance of an audit of the Company's and its subsidiaries' financial statements for the purpose of rendering such financial statement materially misleading.

15. Confidentiality

Company Personnel must not disclose any confidential information of the Company, its subsidiaries, customers, suppliers, business partners, Company Personnel or shareholders, except when disclosure is authorized by the Company and its subsidiaries or is legally mandated.

Confidential information includes all non-public information relating to, among other things, decisions, operations, procedures, plans, earnings, financial or business forecasts, databases, names and addresses, competitive bids, formulas, designs, configurations, technical processes, methods or characteristics of machines, trade secrets, supplies, products or materials, research, development, strategies and know-how, regarding the Company, its subsidiaries, customers, suppliers, business partners, business relationships, Company Personnel or shareholders, that might be of use to competitors or harmful to the Company, its subsidiaries, customers, suppliers, business partners, business relationships, Company Personnel or shareholders, if disclosed.

16. Reporting any Illegal or Unethical Behavior

Your conduct can reinforce an ethical atmosphere and positively influence the conduct of fellow employees. If you are in a situation that you believe may violate or lead to a violation of this Code, or if you are powerless to stop suspected misconduct or discover it after it has occurred, you must report it to the appropriate level of management at your location (office/region). When in doubt as to the best course of action in a particular situation, employees are encouraged to talk to supervisors, managers or other appropriate personnel about illegal or unethical behavior that they observe.

If you are still concerned after speaking with your local management or feel uncomfortable speaking with them (for whatever reason), you may directly, and, if you so wish, anonymously, contact the Audit Committee by sending detailed correspondence, together with relevant supporting documents (if any), to the Audit Committee. Details concerning the procedure for the submission of, and treatment of, any such report are set forth in the separate Whistleblower Policy that we have adopted.

17. Code of Ethics for the Chief Executive Officer and Chief Financial Officer

The following section applies specifically to our Chief Executive Officer and CFO (together, the “Named Officers”). This Section 16 has been adopted to comply with Section 406 of the Sarbanes-Oxley Act of 2002. While this Section 16 is specifically addressed to the Named Officers, it sets forth broad principles that run throughout this Code and that we expect all of our Officers and financial employees and all of our Directors and employees to follow. Named Officers shall:

a. Engage in and promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships.

b. Avoid conflicts of interest and disclose to the General Counsel (or, in his or her absence, the Chairperson of the Audit Committee) any material transaction or relationship that reasonably could be expected to give rise to such a conflict.

c. Take all reasonable measures to protect the confidentiality of non-public information about the Company and its subsidiaries and its users obtained or created in connection with your activities and prevent the unauthorized disclosure of such information unless required by applicable law or regulation or legal or regulatory process; and

d. Take all reasonable measures to achieve responsible use of and control over the Company’s and its subsidiaries’ assets and resources.

e. Promote full, fair, accurate, timely, and understandable disclosure in material respects in reports and documents that the Company and its subsidiaries files with, or submits to, the Securities and Exchange Commission and other regulators and in other public communications made by the Company and its subsidiaries in accordance with the following guidelines:

- all accounting records, and the reports produced from such records, must be in accordance with all applicable laws;
- all accounting records must fairly and accurately reflect the transactions or occurrences to which they relate;
- all accounting records must fairly and accurately reflect in reasonable detail in accordance with generally accepted accounting principles the Company’s and its subsidiaries’ assets, liabilities, revenues and expenses;
- all accounting records must not contain any materially false or intentionally misleading entries;
- no transactions should be intentionally misclassified as to accounts, departments or accounting periods;
- all transactions must be supported by accurate documentation in reasonable detail and in all material respects to be recorded in the proper account and in the proper accounting period;
- no information should be concealed from our internal auditors or our External Auditor; and
- compliance with the Company’s and its subsidiaries’ system of internal controls is required.

f. Comply with all governmental laws, rules and regulations applicable to the Company’s and its subsidiaries’ business, including taking necessary steps to avoid and, where possible, prevent any violations of securities laws.

g. Promptly report to the Chairperson of the Audit Committee (or if the Chairperson is unavailable, to all other members of the Audit Committee) any fraud, whether or not material, involving management or other employees of the Company or its subsidiaries who have a significant role in the Company's and its subsidiaries' disclosures or internal controls over financial reporting

h. Promptly report any possible violation of this Code of Ethics to the General Counsel or, in his or her absence, the Chairperson of the Audit Committee.

18. Cooperation with Authorities

The Company is committed to its obligations to respond appropriately to reasonable and lawful requests by U.S. Government, as well as other foreign, state, and local government investigators seeking information concerning the Company's operations for law enforcement purposes. The Company is also committed to reporting credible evidence of certain categories of misconduct to the U.S. Government under the U.S. Mandatory Disclosure Rule. Personnel must respond truthfully to government requests and may not mislead any investigator or alter documents or records related to a government request or investigation. Because the Company and Company Personnel are entitled to certain safeguards provided by law, including the representation of counsel, Company Personnel should notify their supervisor or the Legal Department immediately if contacted by a governmental authority.

19. Accountability for Adherence; Violations of This Code

The values and responsibilities set forth in this Code are important to the Company and its subsidiaries and must be taken seriously by all of us. Accordingly, violation of this Code will lead to disciplinary action in accordance with the Company's and its subsidiaries' policies. Such disciplinary action may include a reprimand, obligation to reimburse any loss or damage suffered by the Company, its subsidiaries or a third party, termination of employment, referral for civil action or criminal prosecution, or any other disciplinary action deemed appropriate by the Company and its subsidiaries. The Audit Committee shall have responsibility for determining the consequences of a violation of this Code.

**It is the policy of the Company and its subsidiaries not to allow retaliation for reports of misconduct made in good faith by employees. Your calls, detailed notes and/or e-mails will be dealt with confidentially. You have the commitment of the Company and of the Audit Committee that you will be protected from retaliation. Concerns about retaliation or retribution should be reported immediately to the Audit Committee.**

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Adopted on March 9, 2014 (Last Update November 30, 2015)



## **Certificate of Compliance**

*All employees are required to fill out and sign this Certificate of Compliance. In the event you are not now in compliance, or are not certain, or believe that any part of the Statement does not pertain to you for some reason, you should discuss the matter with the Chief Financial Officer and attach a memorandum to your certificate explaining the situation.*

I certify that:

1. I have received and read the Company's Code of Business Conduct and Ethics (the "Code"). I understand and accept the statements contained therein, and that as of this date I am in compliance, and will continue to comply, with the policies set forth in the Code.
2. I acknowledge that requesting or pressuring a Company or subsidiary director or employee to violate the Code is prohibited.
3. I understand that the policies and practices set forth in the Code are continually evaluated and may be amended, modified or terminated by the Company.
4. I am aware and received information regarding the whistleblower policy of the Company, which provides means for anonymous and confidential reporting regarding questionable accounting and auditing matters and violations of this Code.

Signature \_\_\_\_\_

Date \_\_\_\_\_

Please print or type name, department or other area of responsibility.

Name \_\_\_\_\_

Department \_\_\_\_\_