

March 2017

Netafim's Corporate Whistleblower Policy (the "Policy")

1. Purpose and Objectives

- 1.1. The Netafim group of companies is committed to high ethical standards and strict compliance with applicable law in all its operations. Netafim requires all employees to report illegal activity or activities not in compliance with Netafim policies in order to assist Netafim in detecting and putting an end to fraud and unlawful or inappropriate conduct, ranging from violations of the law, our Corporate Code of Ethics as well as complaints or concerns regarding financial statement disclosures, accounting, internal accounting controls and auditing matters.
- 1.2. Netafim has established a system for reporting fraud, illegal activity and non-compliance by employees of Netafim's policies or Code of Ethics. An employee who has a good faith belief that a violation of law or a failure of compliance may occur, is occurring or has occurred has a duty to come forward and file a report under this Policy, as set out below.
- 1.3. For the purposes of this Policy, "good faith" does not mean that a reported concern must be correct, but it does require that the reporting individual must believe he or she is providing truthful information.
- 1.4. Netafim Ltd. Board of Directors has nominated a Corporate Compliance Officer for Netafim Ltd. and for all of Netafim's subsidiaries.

2. Reporting under this Policy

- 2.1. Anonymous reports of compliance concerns can be submitted in any of the following ways:
 - (i) From Netafim's portal - Clicking on the Compliance Report button.
 - (ii) Calling a "hotline" for confidential and anonymous calls. That number is: +972-8-6474855.
- 2.2. Reports pursuant to this Policy can be also sent to the Compliance Officer and the Internal Auditor in any of the additional following ways:

(i) by regular mail, to:
Corporate Compliance Officer/Internal Auditor
Netafim Ltd.
10 Derech Hashalom
Tel-Aviv
Israel

(ii) by email:
Whistleblower@Netafim.com

The employee may sign the report to the above mentioned addressees or remain anonymous.

- 2.3. Each report will be reviewed by the Compliance Officer and the Internal Auditor, who will share with the chairman of the Audit Committee within 24 hours from the receipt of the report the facts and implications of the complaint and provide recommendations for action regarding the report.

3. Processing and Investigations of Complaints

- 3.1. The Corporate Compliance Officer and/or the Internal Auditor, as the case may be, shall conduct a comprehensive investigation into complaints, taking such actions as he or she deems advisable, including use of internal and/or external investigators or counsel, filing appropriate reports or complaints with the competent authorities, taking written witness statements, ensuring cooperation of employees and managers, written findings of fact and written recommendations.
- 3.2. To the extent possible, the reporting employee will be kept apprised of the key findings resulting from the investigation.
- 3.3. The Corporate Compliance Officer and the Internal Auditor shall follow up on the investigation to make sure that those who violate Netafim's policies are disciplined and there are no acts of retribution or retaliation against the person(s) reporting violations or cooperating in an investigation.
- 3.4. Netafim does not permit and shall not tolerate retaliation of any kind against employees for complaints submitted under this Policy which are made in good faith. Netafim's Corporate Compliance Officer and the Internal Auditor shall take all appropriate steps to ensure that complainants shall not suffer retaliation or retribution as a result of submitting a complaint in good faith under this Policy.
- 3.5. Corporate Compliance Officer, the Internal Auditor and the Audit chair may report findings pertaining to any particular investigation to Netafim's Board of Directors. The Audit Committee of the Board of Directors may resolve to commend or extend special compensation to employees whose reports were found to have been justified.
- 3.6. Please note that it is a violation of our Corporate Code of Ethics to submit a report that is known to be false.