



# The First International Bank Code of Ethics

## Statement by the CEO

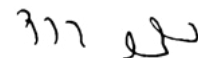
I am pleased to announce the First International Bank's revised Code of Ethics. The Code is an integral part of the Bank's view of the proper conduct in our business environment, and it has been formed as part of our aim to promote ethical conduct, social responsibility, and the core moral values of the Bank's organizational culture.

The Code is an additional resource intended to guide, preserve, and cultivate the organizational culture that combines business excellence and high ethical standards. Reliability, fairness, and integrity are the foundation for all our actions. Even in the ever-shifting banking landscape, we require ethical and responsible conduct, and apply judgment in addition to initiative and innovation, and in this way, we generate value for the Bank's stakeholders (customers, employees, managers, shareholders, suppliers, various regulators, our community, the environment, and so on).

The Bank's Code of Ethics is reality, from time to time, based on a constant examination of the Bank's values and the reality we face. The values and the rules of conduct set forth in the Code were formed in collaboration with the Bank's employees and managers, who chose the values that set us apart and reflect us and our work, and we - the Bank's employees, managers, and directors - follow it and will continue to follow it. This document is the cornerstone and a milestone in all of the Bank's relationships and spheres of influence - vis-à-vis the employees, the customers, the competitors, the community, and the environment.

I am certain that all of us, employees and managers alike, will apply our ethical commitment to our activity, to strictly adhere to the values and the rules of conduct anchored in the Code, consult, and voice our concerns. I believe that implementing the Code of Ethics to our work, in addition to obeying procedures, will make us robust and enhance our ability to successfully face the present and future challenges.

Smadar Barber-Tsadik



# The Code of Ethics - Mission Statement

The First International Bank's Code of Ethics is the Bank's ideological identity card. The Code and the values it represents form the moral infrastructure of our activity as a bank, and they serve as a compass that guides all our employees. The Code sets a high bar that must be aspired to, as for what is appropriate and just, and it is a clear, explicit statement of everything we believe and aspire to uphold.

## The Code of Ethics - Mission Statement

The Bank is proficient in the binding statutory provisions, rules, and procedures that apply to us all, and it is complying with applicable regulation and the relevant appointed entities' instructions at all times. At the same time, the Code of Ethics is intended to provide guidance and solutions when the law and/or procedures are insufficiently clear or when they are ambiguous, as well as to reflect several aspects arising from the procedures.

The Code contains suitable principles and rules of conduct, to guide senior officers, managers, and employees, on the Bank's unique nature and operations.

## Main Objectives of the Code of Ethics:

- To establish the Bank's ideological, ethical environment;
- To set the values that guide our activity vis-à-vis the customers, the stakeholders, and the Bank's employees;
- To provide a solution when the law and/or the procedures are ambiguous;
- To clarify the way the values are applied day-to-day, through the rules of conduct that represent each value;

- To act as a guide in cases of conflicts or ethical dilemmas;
- To help employees choose the appropriate path and guide decision-making processes, on the business level and on the interpersonal level.

## Who is Subject to the Code of Ethics?

The Code of Ethics applies to all First International Bank employees and all its non-bank subsidiaries' employees, regardless of rank or position, and to the managers and directors. The Bank attaches great importance to implementing the Code to all its operations and its relationships with the Bank's stakeholders, and all Bank employees, managers, and directors are expected to act in the spirit of the values set forth in the Code. The Code of Ethics is a declaratory document that applies to all of the Bank's activities, vis-à-vis the Bank's customers, employees, and its environment - the competitors, vendors, the community, and all other stakeholders who have a link to the Bank.

## The Code's Spheres of Reference

The First International Bank Code of Ethics values guide our operations and will be reflected in all of the Bank's relationship, with all its stakeholders.

1. **The customers and all the Bank's stakeholders** - i.e., all of the Bank's relationships, with its investors and shareholders, professional partners, suppliers, competitors, the regulatory authorities, the community, and the environment.
2. **The work environment** - all employee-employer relations with the Bank as an entity, the employees' relationship with the Bank management, and the relationships amongst employees, of all ranks and in all relationship circles.

Integrity, fairness,  
and reliability

Responsibility and  
commitment

Transparency  
and openness

**Values of the  
Code of Ethics:**

Human Dignity  
and Equality

Initiative and  
innovation

Excellence

# Integrity, fairness, and reliability

A commitment to adhere to all statutory and regulatory provisions, the Bank's procedures and its Code of Ethics, toward all of the Bank's stakeholders, with good conscience, integrity, and honesty.

## Customers and Stakeholders

- We strictly enforce integrity and clearly prohibit all corruption and bribery, of all kinds, toward all Bank stakeholders. All Bank employees are prohibited from accepting benefits of any kind, as well as all gifts or bribes, directly or indirectly, arising from our activity at the Bank, or from promising, offering, or accepting any payment or anything equivalent to a payment, which are intended to affect another's actions.
- We make sure to prevent conflicts of interests of all kinds, including the appearance thereof, and we avoid contact with the Bank's stakeholders to promote personal agendas.
- All Bank employees are prohibited from acting as partners, engaging in any one-off or long-term business activities with customers or vendors, or negotiating toward employment with any stakeholder, without permission.
- We are committed to providing reliable information, to allow our customers to make informed decisions, and we avoid using insider information for our personal needs: we avoid extraneous and/or personal considerations in all decision-making processes, treat our competitors according to the fair competition principles, and avoid slandering our competitors in the business environment.

## The work environment

- In our work, we adhere to the law, regulation, the Bank's procedures, and the Code of Ethics. The Bank's employees are expected to report violations of the law, of Bank procedures, and of the Code of Ethics, to superiors or to the relevant responsible entity within the Bank.
- We refrain from taking advantage of our position or function at the Bank to achieve personal goals or for our personal profit, and we refrain from representing the Bank in any transaction or process in which we have any personal interests or stakes, and from any activity considered to compete with the Bank's businesses.

- We are committed to honoring the employee rights and meeting our undertakings toward them. We make sure to give each one of us an equal opportunity to prove their abilities and their skills.
- We are committed to protecting the Bank's tangible and intangible assets (intellectual property) and all its business information, and we do not use the Bank's tangible and intangible assets for our own personal needs.



We recognize our professional responsibility for high-quality performance and careful consideration of our tasks, for our customers to thrive. We are committed to realizing the Bank's mission: to maximize value for all of the Bank's stakeholders.

## Customers and Stakeholders

- We strive to generate value for our customers and stakeholders through excellent service and excellent products.
- We are committed to doing our work as professionally as we can and at the highest level we can, based on our professional knowledge, which is always revised, and to providing professional, efficient, and reliable service, to ensure that the customer's best interest is furthered and that the customer thrives.
- We aspire to work with the best business partners and suppliers. We are committed to choosing our business partners according to relevant considerations, based on their quality, robustness, reliability and fairness.
- We see customer complaints as an opportunity to improve and evolve, and we make sure to provide timely and adequate solutions, while drawing conclusions and aspiring to constant improvement.

## The work environment

- Human capital is the Bank's most important asset, and we regularly work to develop our employees' professional and personal capabilities and to build adequate long-term professional and managerial reserves.
- We strive to perform all actions optimally, to meet the Bank's goals, and promote all Bank stakeholders' thriving and growth.
- We believe that good service begins at home - and so, we work to promote collaborations and knowledge exchanges between the Bank's different units on a regular basis, in order to improve continuously, learn from our mistakes and our successes, and share our aggregated knowledge and experience.
- We work to establish a rewarding culture that values excellence and professionalism and rewards the top employees. Who go above and beyond for the bank's success.





# Responsibility and commitment

We recognize our professional responsibility for high-quality performance and careful consideration of our tasks, for our customers to thrive. We are committed to realizing the Bank's mission: to maximize value for all of the Bank's stakeholders.

## Customers and Stakeholders

- We are committed to presenting the complete picture to our customers, including the ramifications and risks of performing any action, and we are responsible for making all service channels accessible to all Bank customers.
- We make sure to protect our customers' privacy and the confidentiality of the information they give us in accordance with relevant statutory provisions, and we take regular action to mitigate risks in this area.
- We are committed to social outreach within our community, and we engage in it sensitively and responsibly. Within this, we do not make donations to political entities or institutions. We act with awareness of environmental protection, and we seek to mitigate the environmental impact of the Bank's operations, as much as we can.
- We meet our commitments to vendors and to others, and we honor our agreements with them. Within this, we protect our contract workers' rights, as part of our responsibility for a fair supply chain.

## The work environment

- We are committed to the Bank's and its customers' success, and we work consistently and tirelessly to maximize value for all of the Bank's stakeholders, while fulfilling our commitments and completing our tasks to the best of our ability.
- We take personal responsibility for our actions and their consequences, in all relationships. The Bank's managers have a heightened responsibility in their capacity as managers, and they must act as role models on all that concerns the Bank's procedures, effective use of resources, and concern for the employees and the Bank's work environment.
- We are committed to protecting the Bank's tangible and intangible assets (intellectual property) and all its business information, and we do not use the Bank's tangible and intangible assets for our own personal needs.
- Protecting the Bank's reputation - we are responsible for representing the Bank and we make sure to conduct ourselves properly, to enhance our reputation. On digital media, and on social media in particular, we avoid statements that might harm the Bank's good name or business interests.

# Initiative and innovation

A commitment to promoting a culture of initiative and innovation in our operations - providing our customers with innovative solutions, developing technological excellence, and effective, cutting-edge service.

## Customers and Stakeholders

- We are constantly seeking to provide our customers with new financial solutions and to develop advanced products and services that meet our customers' needs.
- We are aware of changes in the business environment, we keep our finger on the pulse, and we are working to provide our customers with innovative and groundbreaking products and services.
- We are attentive to the environment, seeking to provide a flexible response to the issues as they come up, and come up with advanced and innovative solutions.
- We are attentive to trends and to the state of the market, and we seek to lead and innovate in our services and products at all times.



## The work environment

- We aspire to create a work environment characterized by openness to new ideas, and that encourages initiative, learning, and cross-pollination.
- We work to promote sharing and communication across all Bank units, to achieve our common goals.
- We aspire to continuous learning, and we are expected to come up with initiatives, ideas, and suggestions, to maximize value for the Bank's stakeholders.
- We display flexibility, adapt to changes, and operate on multiple levels to provide effective, high-quality, and advanced service.

# Transparency and openness

We are committed to being clear and transparent with the Bank's stakeholders, while giving them complete information wherever it is relevant to their interests. We encourage original thinking, and we are committed to accepting the other without bias.



## Customers and Stakeholders

- We make sure to provide full disclosure and to give our customers all information that might be relevant to them, in clear, pertinent words.
- We are committed to providing clear information to our customers on the various options and on each product's or service's advantages and disadvantages.
- We make sure to communicate with the customer (including via advertising) in a clear and easily understood manner, and we are seeking to adapt our customer service, while providing complete information and thorough explanations.
- We are transparent in our reports to the Bank's external stakeholders

## The work environment

- We aspire to a continuous dialogue and to open communication, and we are committed to promoting dialogue on various channels.
- We encourage sharing business and organizational information, as we believe that maintaining a dialogue and sharing will improve results.
- We hold periodic feedback conversations to align expectations and define transparent criteria for rewards and promotion, as much as we can.
- We honor freedom of expression. However, we forbid activities of a political nature in the Bank's work environment, exploiting the Bank's status and image for political gain, using the Bank's assets for political activity of any kind, or promoting personal interests in the field.

# Human dignity and equality

Tolerance and respect toward others, service without discrimination, making sure to treat all Bank stakeholders with courtesy and civility.

## Customers and Stakeholders

- We consider our customers to be our long-term partners, and we respect and support them.
- We must treat all Bank's stakeholders with respect and use appropriate language.
- We are sensitive to people with special needs and to members of different communities from which our customers hail.
- We are committed to proactive social outreach and to our work for the community. In so doing, we encourage our employees to volunteer, as members of Israeli society.
- We respect other people's opinions, maintain a respectful and pertinent discourse even when we disagree (including on social media).
- In its dealings with stakeholders (customers, employees of the FIBI Group, shareholders and investors, suppliers, society and the community, the environment and government agencies) the Bank supports the principles of equality and non-discrimination.



## The work environment

- We are working to create a tolerant, supportive, and pleasant work environment, as well as safe work conditions. We encourage a culture of mutual respect, concern, and regard for the individual, and we make sure to speak with kindness.
- We work to promote the employees' occupational welfare and personal wellbeing.
- We object to all forms of harassment (verbal, physical, or sexual), bullying, or discrimination, regardless of the position and regardless of their basis. All employees must use appropriate language and avoid disparaging their colleagues.
- We respect other people's opinions, we maintain respectful and pertinent discourse even when we disagree, and we make sure to treat all employees with respect, regardless of their position and rank.





# Ethical Dilemmas



Ethical dilemmas are how the Code of Ethics lives up to real life. Such dilemmas might arise when there are at least two options, yet none of them presents a perfect solution. At times, any solution we pick will present a conflict, between two competing values or between a specific value and our business goals or habits.

Typically, the dilemmas do not have one clear, decisive solution, and they force us to apply judgment and seek guidance and counsel to pick the right path. The Code of Ethics can guide us toward a solution, but it cannot provide a ready-made solution for any

dilemma. The great challenge is to identify that there is a moral dilemma, consult on the desired course of action, and consider all aspects and consequences of the chosen course of action.

When deciding whether a specific action is ethical or unethical, we may ask a few questions that will guide us toward finding the desired ethical solution:

1. Does the chosen path contradict the law, the Group's procedures, and its basic rules of conduct?
2. Does the path further the company's objectives and mission?
3. Can the chosen path cause any long-term damage to the Group's image?
4. Is there any other approach that might put me in a more convenient position?
5. Will the damage be proportionate, considering the chosen decision?
6. What would a person I esteem or my supervisor think of the path I have chosen? What advice would I give my children under similar circumstances?

An employee dealing with an ethical dilemma or who is witnessing an activity that is not in the spirit of the Code of Ethics in their environment may reach out to their direct or indirect supervisor and seek their counsel. Employees who feel the need for this may seek advice and guidance from the Ethics Committee, an advisory body for employees who face ethical dilemmas. The Committee will discuss appeals with confidentiality, while guarding human dignity, and protecting anyone who reaches out to it against any potential damage due to their appeal. You may use any of the reporting channels anonymously.

The reporting channels:

Tel: +972-3-5196236, fax: +972-3-7977332

By mail: Ethics Officer - Human Resources Department

By email: through the "Contact Us" page or the Ethics tab on the "Personal click" website

## Integrating the First International Bank's Code of Ethics and ethical institutions

All of us, employees and managers alike, are expected to reflect the spirit and values of the Code of Ethics in our actions, implement this Code in our day-to-day life, and be a personal role model to others. Acting in the spirit of the values we all share will lead to a deep-rooted ethical culture and raise the moral and ethical bar for our actions on all levels, within the Bank and outside the Bank.

### The Ethics Supervisor

**A member of management whose duties include:**

- Promoting a corporate culture in the spirit of the Bank's values;

- Representing the First International Bank in the ethical area;
- Encouraging and supervising the application of the Code of Ethics and handling ethical dilemmas.

### The Ethics Officer:

**A member of senior management whose duties include:**

- Concentrating the field of ethics and the Ethics Committee's activity;
- Responsibility for revising the Bank's Code of Ethics and values;
- Constructing plans to incorporate ethics into the organization and setting the benchmark for the implementation plans' success.

### The Ethics Committee

**The committee's duties are:**

- To concentrate all employee appeals and encourage them to reach out and report any unusual behavior;
- To address, guide, and advise employees on ethical dilemmas regularly;
- To present the cases brought before the committee and its conclusions to all Bank employees;
- To revise the Code of Ethics according to ongoing events in the Bank;
- To apply and integrate the Code of Ethics as an ongoing process within the Bank.

**The committee's composition** - the Ethics Committee is composed of the Ethics Supervisor (a manager), the Ethics Officer, and representatives of various units, branches, and the headquarters. The Committee will launch and operate ongoing plans to integrate the Code of Ethics in the Bank, and hold regular or special meetings, as necessary.

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BANK OF ISRAEL**