

PERSONNEL POLICIES AND PROCEDURES

The Executive hereby adopts the following policy (herein: the "**JAFI Whistleblower Policy**"), which applies to all JAFI employees (herein: "**Employee**"). This Policy sets forth the certain specific actions that are explicitly prohibited by any Employee.

1.1 STATEMENT OF POLICY

JAFI is committed to taking action to prevent problematic or improper conduct. JAFI urges Employees and others to come forward with any such information, without regard to the identity or position of a suspected offender.

1.2 PROHIBITED ACTIONS

Commission of any of the following acts by Employees, will be considered cause for immediate disciplinary action. For the purpose of this policy the term "disciplinary action" includes but is not limited to, termination of employment. JAFI may also consider, in addition to the above, whether to file a complaint with the police regarding the reported act.

1. Intentionally destroying, altering, mutilating, concealing, covering up, falsifying or making a false entry in any records that may be connected to a matter relating to JAFI, either within the jurisdiction of any Government Ministry or statutory authority, or bankruptcy or other legal or official proceeding, in violation of Israeli law or regulations, or in a manner prejudicial to JAFI or in violation of its By-Laws or of the By-Laws of the Comptroller (hereinafter jointly: "**JAFI By-Laws**").
2. Intentionally altering, destroying or concealing a document, or attempting to do so, with the intent to impair the document's availability for use in an official proceeding or otherwise obstruction, influencing or impeding any official proceeding, in violation of Israeli law or regulations.
3. Fraudulently influencing, coercing, manipulating, or misleading the JAFI Comptroller and/or any independent public accountant engaged in the performance of a review, or of an audit of the financial statements of JAFI, for the purpose of rendering such review or financial statements misleading.
4. Discharging, demoting, suspending, threatening, harassing, discriminating or retaliating or otherwise takes any action harmful in any manner against any employee, because of any lawful act by that employee who:
 - a) Provides what he reasonably believes to be truthful information to, or assists in any investigation by, any Government Ministry or statutory authority, or JAFI or the JAFI Comptroller;
 - b) Files or assists in any action alleging a violation of Israeli law or regulations or JAFI By-Laws; or

c) Provides truthful information to a law enforcement officer relating to the possible commission of a crime.

1.3 **REPORTING PROCEDURES**

For the purpose of this Policy, the JAFI Comptroller has been asked to receive complaints of suspected violations.

The JAFI Director General will issue a handbook to all Employees outlining how to report concerns or complaints, a copy of which is attached herein for information purposes.

1.4 **RETALIATION**

1. JAFI will not permit any negative or adverse actions to be taken against any employee or individual who in good faith reports a possible violation of law or of any JAFI By-Law or assists another employee or individual in reporting such possible violation, including any concerns regarding questionable accounting or auditing matters, even if the report is mistaken, or against any employee or individual who assists in the investigation of a reported violation. Retaliation in any form will not be tolerated. Any act of alleged retaliation should be reported immediately to the JAFI Comptroller or to the JAFI Director General. Complaints of retaliation will be promptly investigated by the Director General, or by someone duly authorized by him.
2. The provisions of Sub-section 1 above shall not apply if the employee or individual has made a baseless claim not in good faith, in circumstances where the employee knew or should have known that such claim was baseless; or has assisted another employee or individual in reporting a claim and the employee or individual knew or should have known that such baseless claim was made not in good faith. Commission of such acts will be considered cause for immediate disciplinary action, including, but not limited to, termination of employment.
3. The provisions of this Section are subject to the Law for the Protection of Employees (Disclosure of Crimes and Violation of Ethical Standards or Proper Administration), 1997 which applies to JAFI, regarding the protection of employees who report a possible violation in accordance with this Policy.

1.5 **CONFIDENTIALITY**

JAFI will treat all communications under this Policy in a confidential manner, except to the extent necessary (1) to conduct a complete and fair investigation, or (2) for review of JAFI operations by JAFI's Board of Governors, its Comptroller's and Audit Committee, the Comptroller, JAFI's independent public accountant and JAFI's counsel.

THE JAFI WHISTLEBLOWER POLICY

HANDBOOK TO EMPLOYEES FOR REPORTING CONCERNS OR COMPLAINTS

The JAFI Executive passed the "JAFI WHISTLEBLOWER POLICY" on February 25, 2008.

Below please find an outline of how to report concerns or complaints that you may have regarding suspected violations, as well as a few examples of what to report.

1. HOW TO REPORT CONCERNS OR COMPLAINTS

Employees may communicate suspected violations of law, JAFI By-Laws or other suspected fiscal wrongdoing, including any concerns regarding questionable accounting or auditing matters (including deficiencies in internal controls) or alleged retaliation in accordance with the JAFI Whistleblower Policy, by calling the following toll-free telephone number in Israel: 1-800-300-221.

Another option is for you to access a confidential website and "make a report" at: WWW.MEVAKER@JAFI.ORG.

Both the telephone number and the website are published for internal use and are hosted by the Office of the JAFI Comptroller. This provides a confidential way for employees to report concerns or complaints.

In order to be better able to respond to any information or complaint, we would prefer that you identify yourself and provide your telephone number and other contact information when you make the report. You may be assured that any information will be treated with utmost confidentiality.

However, if you wish to remain anonymous, it is not necessary that you give your name or position in any notification and caller ID will not be activated on the line.

Whether you identify yourself or not, in order that a proper investigation can be conducted, please provide as much information as you can, sufficient to facilitate a thorough investigation, including where and when the incident occurred, names and titles of the individuals involved, and as much other detail as you can.

2. A FEW EXAMPLES OF WHAT TO REPORT

Accounting and Auditing Matters: The unethical systematic recording and analysis of JAFI's business and/or financial transactions. Examples include misstatement of allocations, revenues, expenses, assets and/or misapplications of generally accepted accounting principles and wrongful transactions.

Conflicts of Interest: A situation in which an employee or any Member of the Board of Governors, the Committees of the Board of Governors or the Executive, has a private or personal interest sufficient to appear to influence the objective exercise of his/her official duties. An example is having one's relative work in a company in which the individual controls JAFI's business and this was not disclosed to and approved in advance by JAFI, or subsequently attempting to influence that

company's decisions regarding the terms of employment, or a decision for dismissal, of that relative.

Falsification of Contracts, Reports or Records: This consists of altering, fabricating, falsifying or forging all or any part of a document, contract or record for the purpose of gaining an advantage or misrepresenting the value of the document, contract or records.

Misconduct: Any intentional wrongdoing on the part of a JAFI employee or any Member of the Board of Governors, the Committees of the Board of Governors or the Executive that is a deliberate violation of law, JAFI By-Laws or fiscal policy.