



# CODE OF BUSINESS CONDUCT AND ETHICS

Effective as of July 30, 2015

## Introduction

It is the policy of Intec Pharma Ltd. (together with its subsidiaries, the "**Company**") to conduct its affairs in accordance with all applicable laws, rules and regulations of the jurisdictions in which it does business. This Code of Business Conduct and Ethics (this "**Code**") applies to the Company's employees, officers and directors (each an "**Associate**"). This Code is designed to:

- promote honest and ethical conduct by all of the Company's Associates, including the ethical handling by such persons of actual or apparent conflicts of interest;
- promote full, fair, accurate, timely and understandable disclosure in the reports and documents the Company files with, or submits to, the U.S. Securities and Exchange Commission ("**SEC**") or the Israeli Securities Authority ("**ISA**"), and in other public communications made by the Company;
- promote compliance with applicable governmental laws, rules and regulations;
- ensure the prompt internal reporting to the appropriate person of violations of this Code; and
- ensure accountability for adherence to this Code.

All the Associates of the Company are subject to this Code and are expected to adhere to and comply with those principles and procedures set forth in this Code which apply to them. All the Associates are expected to act with integrity and adhere to the highest standards of ethics and business conduct in dealing with each other and with the Company's shareholders, customers, vendors, partners, service providers, competitors and all other third parties with whom an Associate has contact in the course of performing his or her job.

The Company will take such disciplinary or preventative action as it deems appropriate to address any existing or potential violation of this Code brought to its attention. To the extent this Code requires a higher standard than required by commercial practice or applicable laws, rules or regulations, we adhere to these higher standards.

## Approvals and Waivers

Certain provisions of this Code require you to act, or to refrain from acting, unless prior approval is received from the appropriate person. Employees requesting approval pursuant to this Code should request such approval in writing from the Company's Chief Executive Officer (the "**CEO**"). Approvals relating to executive officers and directors must be obtained from the Company's Board of Directors (the "**Board**") unless other approval is required under applicable Israeli or U.S. law. All other approvals may be granted by the CEO, or such officer's designee.

Other provisions of this Code require you to act, or to refrain from acting, in a particular manner and do not permit exceptions based on obtaining an approval. Waiver of those provisions relating to executive officers,

senior financial officers and directors may only be granted by the Board unless other approval is required under applicable Israeli or U.S. law.

## **Responsibility for Compliance**

### ***Responsibility of Company Associates***

You are obligated to adhere to this policy in the performance of your job responsibilities.

When faced with a situation that requires an evaluation of whether something is considered proper business conduct, you can apply the following criteria: (i) Is the course of conduct legal? Is the course of conduct in accordance with the guidelines set forth in this Code and with Company policies and procedures? (ii) Would you or the company be compromised or embarrassed if the situation were known by your co-workers or the public? Does the intended course of conduct have the appearance of impropriety?

If you are unable to provide a positive answer to both parts of (i) and a negative answer to both parts of (ii) with certainty, seek advice through the channels described in the immediately following section.

**Note** that failure to report a violation of this Code is in itself a violation of this Code.

### ***Seeking advice or reporting non-compliance***

If you suspect non-compliance, or have a question as to any aspect of this Code, including its interpretation, application or compliance therewith, regarding yourself or any other Associate of the Company, you must seek the advice of and report to the appropriate Company authority, such as your immediate supervisor or Chief Financial Officer or the Company's legal counsel. If for any reason you feel uncomfortable discussing your concerns or questions with such individuals, or if you are dissatisfied with their responses, seek advice from the Chairman of the Audit Committee.

Mr. William Bradley Hayes (Chairman of the Audit Committee); e-mail: hayesb1@mac.com.

Nir Sassi (Chief Financial Officer); e-mail: nir@intecpharma.com; Tel: 02-586-4657 X202.

Shachar Hadar (Company's Counsel); e-mail: shacharh@meitar.com Tel: 03-610-3961.

If you prefer, you may correspond anonymously with the CEO through our confidential complaint box, and to the extent possible you should include copies of relevant documents.

The Company's policy prohibits discrimination, harassment and retaliation against any Associate who in good faith provides any information or otherwise assists in any investigation or proceeding regarding any potential violation of this Policy.

### ***Disciplinary action***

The Company intends to prevent the occurrence of conduct not in compliance with the Code, applicable laws or regulations, or other policies, procedures and guidelines prepared by the Company and its business units and to prevent or halt any such conduct that may occur prior to its occurrence or as soon as reasonably possible after its discovery. Allegations of non-compliance with the Code will be investigated whenever necessary and evaluated at the proper level(s). Allegations of violations by a director or executive officer of the Company will be investigated by the Audit Committee (or another independent committee of the Board), who will report its findings to the Board. Allegations of violations by a person other than a director or executive officer will be investigated by the Company's Internal Auditor, Mr. Haim Halfon, who will report its determinations to the CEO (or, if the allegation involves the CEO, the Chairman of the Audit Committee). Upon receipt of a determination that there has been a violation of this Code, the Board or (for persons other than executive officers or directors of the Company) the CEO will take such preventative or disciplinary action as it deems appropriate, including but not limited to, reassignment, demotion, or termination of employment. Criminal misconduct may be referred to the appropriate legal authorities for prosecution.

## ***Reporting Potential Violations***

if you think you are being asked to act or conduct business in an illegal, unethical or otherwise inappropriate manner, or you suspect others of such behavior, immediately report your concerns through the appropriate channels described above. You will not be penalized for reporting what you believe, in good faith, to be a breach of the Code, even if it later becomes evident that no violation has occurred.

## **The Employment Relationship**

### ***Terms of employment***

The Company employees are generally employed by the Company, either pursuant to an employment contract or other arrangement. Subject to applicable law and any prior notice period provisions in the employee's contract, both the employee and the employer are legally allowed to terminate the employment at will. This Code or any part thereof may be revised from time to time at the Company's discretion and is not and shall not be construed as a contract of employment.

### ***Anti-discrimination and anti-harassment***

The Company hires, pays, promotes and makes other employment decisions based upon lawful factors, such as qualifications and performance, and without regard to race, sex, color, religion, age, national origin, sexual orientation, disability, family status or political views or any other basis that is protected under applicable law.

### ***Drug and alcohol abuse and drug-free workplace***

The Company prohibits the illegal use, sale, purchase, transfer, possession or presence in one's system of drugs, other than medically prescribed drugs, while on the Company's premises.

### ***Workplace violence***

The Company does not tolerate workplace violence or threats of violence committed by or against employees or property.

### ***Conflict of interest and opportunities for personal gain***

Associates must avoid relationships, activities or interests that conflict or appear to conflict with the best interests of the Company and must avoid any personal activity, investment or association that may interfere with using good judgment concerning the Company's best interests. Associates may not exploit their position or relationship with the Company and/or use information received in connection with their position or relationship with the Company, whether to for personal gains or for the benefit of others. In addition, Associates must refrain from any act which may compete with the business of the Company. Associates have an obligation to promptly disclose to their supervisor or the CEO, and in the case of a Director, to the Chairman of the Board, any relationship, activity or interest that could possibly involve or appear to involve an actual or potential conflict of interest. If you are unsure whether something is a conflict of interest, you are obligated to promptly disclose it to your supervisor.

### ***Related party transactions***

Associates should immediately inform the Chief Financial Officer (the "CFO") and/or the Chairman of the Audit Committee at the outset of negotiations or contacts regarding a potential transaction between an entity or a person related to an Associate of the Company and in any event prior to completion of any such transaction (without regard to size or materiality). Related party transaction may be deemed such although they may not require disclosure as a related party transaction under applicable accounting rules, and may require approval by the Board, Audit committee or other approval as early as possible.

### ***Fraud***

You may not engage in fraudulent conduct, including any deliberate practice of deception in order to receive unfair or unlawful gain.

### ***Outside employment or consulting***

Employment of an Associate as a consultant, employee, officer, or manager of another business organization requires prior written management approval. Outside employment or consulting must never interfere with your job performance, utilize Company property or facilities, involve the implicit or explicit sponsorship of the Company, or create the possibility of adverse publicity for the Company.

### ***Political activity and contributions***

Use of Company funds to support any type of political activity is prohibited. Requiring anyone at Company to make a personal or corporate contribution to any candidate, political party, or holder of any governmental office is prohibited. You are free to participate in lawful political activity.

### ***Financial reporting***

All financial and other records of the Company are required to accurately and fairly reflect the Company's assets, liabilities, revenues and expenses. If you have any doubts regarding any Financial Reporting, accounting, internal controls or auditing issues you may anonymously report to the CEO and by use of the our confidential complaint box. If you are aware of or suspect any non-compliance or deficiency with respect to any of the above you should immediately inform the Chairman of the Audit Committee.

### ***Company records and accounts***

All Company records and accounts are the property of the Company. Company records and accounts must be maintained at all times in reasonable detail and in a manner that accurately reflects all business and financial transactions, including the disposition of assets. The destruction or falsification of a document in order to impede a litigation, governmental investigation, audit or examination is prohibited and may lead to prosecution for obstruction of justice.

### ***Protection of the Company's Property***

All Associates should endeavor to protect the Company's property, plant and other tangible and intangible assets. Company property should not be used for non-Company business, though incidental personal use may be permitted.

### ***Expense accounts***

The Company recognizes that it may have a responsibility to reimburse you for legitimate business expenses. Those expenses should be within reasonable limits and commensurate with the nature of the business assignment. You are expected to fully and clearly document business expenses and comply any travel or other policy that applies to your business unit.

### ***Proprietary information and intellectual property***

Without derogation from any other undertakings and/or obligations any Associate may have under any agreement or applicable laws or regulations, any proprietary business, technical, personal information or any trade secret of the Company and its Associates, customers, suppliers and of any information of third parties with whom the Company has executed any non-disclosure agreement(s), is considered confidential and must be safeguarded. Intellectual property developed by you or by others for the Company, or for which the Company has secured rights from others, should be used only for the benefit of the Company. Accordingly, all intellectual property rights derived from confidential information or other materials made, originated or developed by Company Associates shall belong exclusively to the Company, and the Associates who are the inventors or developers of such intellectual property rights shall have no rights or benefits therein or deriving therefrom. You may not disclose proprietary information of the Company, its Associates, customers, former

Associates, former customers or suppliers. These prohibitions continue even if you cease being an Associate of the Company for any reason.

### ***Corporate data security***

Corporate data refers to all information collected, created, processed and/or maintained in the normal course of the Company's business. The data may be in manual form (such as verbal, handwritten, typed onto hard copy, microfilmed, photocopied or computer printouts), electronic form (such as e-mails, voice-mails, computer memory, magnetic tape, cassette, disk, or diskette), or Company specific information included in computer applications programs, personal computing software, or operating system software.

All the Company Associates and any other person having physical or electronic access to corporate data are responsible for safeguarding corporate data by keeping such corporate data confidential.

### ***Electronic communications***

You may not access or use the Company's electronic and wire communications systems without appropriate authority. No individual shall use the passwords or codes of another individual in order to gain access to that individual's e-mail, voice mail, or Internet communications on the Company's systems unless first authorized to do so by that individual or the Company. These systems are provided for Company business, and only occasional personal use of the systems is permissible. Occasional personal use means minimal and infrequent use that does not interfere with the Company business or job performance. The Company's systems may not be used to access or transmit material that could embarrass, harass, or offend the Company or other persons.

### ***External communications***

Requests for financial or business information, for interviews with any the Company Associates including comments or responding to requests relating to the Company or its business, or the issuance of any press releases by any Company Associate must be referred to the CEO and/or the CFO.

### ***Public disclosure requirements***

All reports and submissions ("**Reports**") of the Company to the SEC, NASDAQ, ISA and the Tel Aviv Stock Exchange and any other applicable regulatory authority, stock exchange or governmental authority, must comply with applicable legal and exchange requirements and may not contain material misstatements or omit material facts. Each director, officer and employee who is involved in the Company's disclosure process must: (a) be familiar with and comply with the Company's disclosure controls and procedures and its internal control over financial reporting; and (b) take all necessary steps to ensure that all filings with the SEC and all other public communications about the financial and business condition of the Company provide full, fair, accurate, timely and understandable disclosure. Each director, officer and employee who contributes in any way to the preparation or verification of the Company's financial statements and other financial information must ensure that the Company's books, records and accounts are accurately maintained. Each director, officer and employee must cooperate fully with the Company's accounting and internal audit departments, as well as the Company's independent public accountants and counsel. If you are aware of any material inaccuracy or omission in any Report, you must bring the matter promptly to the attention of the Chairman of the Audit Committee.

## **Relationships with Business Entities and Authorities**

### ***Product quality***

We are committed to making safe quality products. We expect each Company employee and/or officer to contribute to these standards by providing high quality work, being fully familiar with applicable laws and regulations that are pertinent to their areas of responsibility and participating in training programs provided by

the Company covering broad ranges of activities. Company Associates are also encouraged to exert diligence in identifying and preventing practices that could impair product quality, safety or compliance with law.

### ***Economic Sanctions***

Company Associates must comply with the applicable laws and regulations relating to economic and trade sanctions and embargoes against certain countries or entities. This includes refraining from indirect facilitation of a prohibited transaction.

### ***Bribes, kickbacks, Gifts or Other Types of Unusual Payments and anti-boycott laws***

You may never accept bribes, kickbacks, or other types of unusual payments from any organization or individual seeking to do business with, doing business with, or competing with the Company. You may accept gifts or entertainment of nominal value as part of the normal business process if public knowledge of your acceptance would cause the Company no conceivable embarrassment. In accordance with U.S. and/or other foreign laws, Company Associates are prohibited from directly or indirectly authorizing, offering, promising or giving anything of value to a foreign governmental official as a means of influencing or inducing the official to obtain or retain business for the Company. Company Associates must promptly disclose to their supervisor, and in the case of a Director, to the Chairman of the Board, any receipt or granting of any benefit as described above or any offer to receive or grant such. Company Associates are also required to comply with applicable corrupt practices laws and anti-boycott laws that prohibit participation in certain foreign boycotts.

Company Associates are prohibited from receiving any "Holiday Gift" from Company suppliers and/or service providers. Upon receipt of such "Holiday Gift" the Associates must disclose the receipt thereof to the company's management and said gift will be distributed amongst the Company Associates.

### ***Securities laws compliance and insider trading***

All the Company Associates must strictly obey all laws that prohibit the trading of securities based on prior knowledge of "material non-public information" about the Company. You (and your relatives) may not trade Company stock or engage in any other action to take advantage of or pass on to others such information, nor recommend to others that they trade the Company's stock until such information ceases to be "material non-public information". These restrictions also apply to any trading, including securities of other companies, based on material, non-public information about customers, competitors or business partners or suppliers of the Company, either when trading the Company's securities or the securities of such other companies as well. The Company currently has an insider trading memo which has been sent to all employees and the Company may update such memo from time to time.

### ***Unfair trade practices and fair dealing***

The company must comply with all applicable fair competition and antitrust laws. Such laws are intended to ensure that businesses compete fairly and honestly and prohibit conduct seeking to reduce or restrain competition. All Company Associates must comply with applicable laws in their place of employment and the laws of other applicable jurisdictions that prohibit unfair or deceptive business acts and practices, as well as unfair competition.

### ***Environmental protection***

The Company is committed to full compliance with all applicable environmental protection laws and expects your individual cooperation.

### ***Health and safety***

Associates must observe safe practices on their jobs, report any injury or accident at work promptly.

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