

March 2012

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.

To this end, 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.

- 1.2. 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.
- 1.3. The General Counsel of Netafim Ltd. shall serve as the Corporate Compliance Officer for Netafim Ltd. and for all of Netafim's subsidiaries.

2. Reporting under this Policy

- 2.1. Reports pursuant to this Policy should be forwarded in writing to Netafim's General Counsel in any of the following ways:

(i) by mail:

Netafim Ltd.
10 Derech Hashalom, Tel-Aviv 67892, Israel
Tel: +972-8-6474747; Fax: +972-8-6473983
www.netafim.com

General Counsel – Corporate Compliance Officer
Netafim Ltd.
10 Derech Hashalom
Tel-Aviv
Israel

(ii) by email:
Compliance@Netafim.com

(iii) From Netafim's portal
Clicking on the Compliance Report button.

- 2.2. In the event a report pertains to conduct allegedly involving the Corporate Compliance Officer, or to concerns regarding questionable accounting or auditing matters, employees filing the report may send to the Chief Resources Officer:

(i) by mail:
Chief Resources Officer
Netafim Ltd.
10 Derech Hashalom
Tel-Aviv
Israel

(ii) by email:
ComplianceHR@Netafim.com

(iii) From Netafim's portal
Clicking on the Compliance HR Report button.

- 2.3. The employee may sign the report or remain anonymous.
- 2.4. There is also a “hotline” available for anonymous reports of compliance concerns. You may also use this “hotline” for confidential, anonymous submission of concerns regarding questionable accounting or auditing matters. That number is: +972-8-6474855.

3. Processing and Investigations of Complaints

- 3.1. The Corporate Compliance Officer or the Chief Resources Officer, 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 for bringing Netafim into compliance.

- 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 Chief Resources Officer 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.

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 Chief Resources Officer 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.

- 3.4. Corporate Compliance Officer and the Chief Resources Officer may report to Netafim's Board of Directors findings pertaining to any particular investigation. 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.
- 3.5. Please note that it is a violation of our Corporate Code of Ethics to submit a report that is known to be false.