

GALIL

**CODE OF ETHICS
AND
BUSINESS CONDUCT**

Message from the President and Chief Executive Officer:

As a global medical device leader Galil Medical is committed to conducting our business with the highest standards of honesty, integrity and ethical behavior. We believe these standards to be important company core values that guide our business activities with our customers and business partners and will support the growth of the company as an innovative medical technology leader. We make this commitment by ensuring these standards are supported by policies and procedures that are understood and communicated to all employees.

In furtherance of our personal responsibility and commitment to these core values we have adopted a Code of Ethics and Business Conduct that provides direction, offers guidance and outlines company expectations and operating principles in governing our business interactions. This includes processes for asking questions and raising concerns. It is important to note the Galil Code of Ethics and Business Conduct is not intended to cover or document all company policies and procedures and is not a detailed guide to all laws and regulations that govern our business.

The way we conduct ourselves in the performance of our daily activities can impact the excellent reputation we have established both today and in the future. Therefore, I strongly encourage you to read and understand the Galil Code of Ethics and Business Conduct, to ask questions about your obligations under the Code or concerns about compliance and to discuss them in a timely manner with your supervisors or any other member of management.

Adherence to the letter and the spirit of our Code, combined with open communication, supports our commitment to honesty, integrity and ethical conduct while protecting the company's reputation as a good corporate citizen and provides for the operation of our business in an effective and compliant manner.

I thank you for your personal commitment.

Martin J. Emerson

Code of Ethics and Business Conduct

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INTRODUCTION TO THE CODE

This Code of Ethics and Business Conduct, referred to as the “Code” applies to Galil Medical and its consolidated substantially wholly owned subsidiaries, together referred to as “our Company” and sets forth our policies regarding the ethical business conduct and principles guiding the activity of our employees and representatives. No code can address every situation that may occur and this Code is not intended as a detailed guide for all situations

We all have important roles to play in maintaining high levels of legal and ethical compliance and the long term viability of our Company. The purpose of the Code of Conduct is to promote a culture of honesty, integrity, respect for Law and the people with whom we work. We expect each employee to use sound judgment to help maintain appropriate compliance to procedures which support the Code and to carry out business in compliance with laws and high ethical standards. Every employee is expected to read and understand the Code and demonstrate a personal commitment to the standards set forth in the Code, including policies and procedures that support the Code

Officers and other supervising employees are expected to be leaders in demonstrating a personal commitment to the standards set out in the Code as well as recognizing indications of illegal or improper conduct. All employees have the obligation to report appropriately any indications of unlawful or improper conduct. It is our Company’s policy that it will not retaliate against any employee who communicates such concerns

A violation of foreign and/or U.S. laws and regulations may subject an employee and the Company to civil and /or criminal penalties. Additionally, an employee who does not comply with the standards set forth in the Code may be subject to disciplinary action by the Company including termination of employment.

OUR COMMITMENT TO GALIL AND STOCKHOLDERS

QUESTIONS AND REPORTING CONCERNS

Ethical behavior is a significant cornerstone of our Company. Each employee of our Company has the responsibility to ensure the integrity of their work and to ask questions about and seek clarification of the policies outlined in the Code as well as other company policies and procedures. Employees are expected to immediately report wrongdoing or suspected violations of the Code or any company policy. Our Company supports open communication and encourages employees to have direct conversations with supervisory personnel and management when they have questions, suggestions for improving the Code or other policies and to address any concerns employees may have.

No Retaliation Policy

Employees will not be punished for questioning or asking about possible violations of law, regulation or company policies. It is our company policy that retaliation will not be tolerated. In addition, our Company may not discharge or otherwise discriminate in any manner against, or threaten or harass, an employee for any lawful act by the employee to provide information or assist in an investigation by us or any other governmental authority or agency, of violations of applicable securities laws or any applicable law relating to fraud against shareholders. Allegations of potential or actual retaliation against an employee will be investigated. We expect all concerns to be based on a good faith belief of the potential for and or an actual violation of the Code. A claim or concern that an employee raises and knows to be false may subject that person to disciplinary action.

How to Report Your Concerns

- **Where to Direct Questions:** If you have questions about this Code or concerns about any of the matters identified in the Code, please first consider speaking with your immediate manager or supervisor. If you do not wish to communicate with that person on the matter, please feel free to contact any member of our management team.
- **Where to Report Your Concerns:** If you wish to report or discuss any problems or violations concerning the Code or other policies and procedures, please promptly inform your supervising manager, or report the matter to any member of the management team.
- **Anonymous Reporting:** We also provide for confidential reporting for those employees wanting to communicate any matter anonymously. We will maintain the confidentiality of your communication to the extent possible under applicable laws and protection of Galil's interests. Communications intended to be confidential should be emailed to the Chief Financial Officer using the confidential email addresses below. You will not need to indicate your name or email address. An investigation will be initiated and action taken where appropriate. You will not receive any information pertaining to the investigation, due to the anonymity of your communication.

- There are two means to anonymously report any matter.
 - Postal Mail: You can mail your concerns to any of the Company's mailing addresses, with further attention to the Company's CFO and/or CEO printed on the mailing envelope.
 - Email: You can email your concerns utilizing the Company's anonymous email capabilities. You can log onto the Company's SharePoint page and send an anonymous email to: elissa.lindsoe@galilmedical.com and/or marty.emerson@galilmedical.com.

RECORDS AND REPORTING INFORMATION

Employees are expected to maintain the accuracy of our company records and reporting requirements. All financial and other business information pertaining to our Company must be accurately recorded, all financial records and transactions must adhere to our system of internal controls and accounting requirements, and no one shall enter any false information in our records or reporting systems. All company information must be reported honestly and accurately, whether in internal personnel, safety, regulatory or other records or in information we release to the public or file with government agencies.

Employees are not to discuss the Company's financials, business or other information with the press (except for those employees expressly authorized for this purpose) or on any internet or other "discussion board," "chat room," or similar forum. All requests from the media, analysts or stockholders about our Company must be forwarded to our President and Chief Executive Officer or Chief Financial Officer.

RETENTION OF RECORDS

Our Company maintains a policy that provides employees with direction on the maintenance and destruction of company records. You are expected to understand and be familiar with the requirements of the policies and procedures for your organization that support the company policy. In addition, it is our Company's policy not to destroy or alter records or documents which include paper, information on computers, including emails and any other form of document in response to or in anticipation of any legal proceeding or government inquiry or investigation or where our legal counsel has communicated a suspension of the record retention policy

PROTECTION OF COMPANY ASSETS

Each employee is personally responsible to use our Company's property only for our lawful, corporate purposes approved by management. All employees should help our Company protect its assets from misuse, theft, damage or other loss. Improper or unauthorized personal use of company assets is prohibited. Property includes but is not limited to computers, cell phones, office supplies and equipment, intellectual property customer and sales information, financial data and business strategies.

COMMUNICATIONS

Employees are expected to use appropriate judgment and discretion in their email, memos, notes, and other formal and informal communications relating to our business. Communications relating to our business must avoid inappropriate or derogatory comments about other individuals or companies, unprofessional language, and unauthorized financial, legal or business statements. Unless protected by law, employees should not have an expectation of privacy as it pertains to information transmitted or stored on company property. Galil owns and controls access to all communications and office supplies and reserves the right to monitor all communications, including internet usage.

CONFLICTS OF INTEREST

We expect all of our employees to avoid allowing their private interests to interfere, or appear to interfere, with the interests of our Company as a whole. A conflict of interest may occur when employees are influenced by considerations of benefit or gain for themselves or family which conflict with the Company's best interest, including its policies and procedures. There are many forms of conflicts of interest and therefore they are not all identified in the Code.

Employees are expected to disclose to our Company any situation that may involve inappropriate or improper conflicts of interest affecting them personally or affecting other employees or those whom the Company does business.

Examples of conflicts of interest are:

- Employees are prohibited from having a financial interest in a Galil supplier, customer, consultant or competitor, or directing business transactions to a company in which a family member has a financial interest.
- Employees must refrain from purchasing property or otherwise taking for themselves a business opportunity that they learned about through their employment.
- Employment with or consulting with a competitor, supplier, customer, distributor, reseller, or other business partner of our Company, except as approved in writing by an authorized officer or manager of our Company.
- An employee may not serve as a director, an officer or similar position with any publically held company, or as an appointee of any governmental or quasi-governmental agency or body without prior written authorization from an officer of our Company and if that employee is an officer, then by the Board of Directors.
- Employees may not use company property, employees, office equipment and other materials for any unauthorized use.

INTELLECTUAL PROPERTY

Employees are required to help our Company maintain the value of its intellectual property by using care to keep our trade secrets and other nonpublic information confidential, and limit access to nonpublic information only to those authorized to use it in their duties for the Company. If customers or suppliers provide nonpublic information to us in their dealings with us, our employees are expected to protect that information in the same manner as our Company's property. We expect our employees to conduct our business and use our business systems and facilities in ways which avoid violation of third party intellectual property, copyright, trademark, service marks or trade secrets.

Product improvements and system design changes or technical enhancements that are the result of employee input while employed by our Company are the sole property of Galil, and extend beyond employment by our Company.

CONFIDENTIALITY

As an employee of our Company you may become aware of many types of confidential information. Confidential information should only be used to do your job and when appropriate may only be shared with other employees of our Company to do their jobs. It is the Company's expectation that you protect our Company's confidential information as well as information obtained from customers, suppliers, or any third party who have disclosed the information in confidence. It is important that each employee be aware of their surroundings such as public places when discussing sensitive and confidential company information belonging to our Company.

Your obligation to maintain confidentiality extends beyond your employment with Galil and as such you may not disclose or in any way provide confidential information.

Examples of Confidential Information are:

- Company financial information
- Information about research and product development
- Strategic business plans
- Agreements between the Company, its agents and partners and/or any other third parties
- Customer information, including market share data and pricing
- Patient information
- Employment records
- Company communications marked "confidential".

REGULATORY AND CLINICAL AFFAIRS

It is the expectation of our Company that employees will comply with all regulatory authorities and agencies who may regulate the design, manufacture, clinical study, marketing and distribution of Galil products on a global basis. We will comply with reasonable requests from government agencies and ensure that responses and requests are reviewed with the appropriate corporate functions.

OUR COMMITMENT TO EACH OTHER

RESPECT FOR EMPLOYEES AND DIVERSITY

Our Company's employment decisions provide an opportunity for all and will be based on reasons related to our business, such as job performance, individual skills and talents, and other business-related factors. Our company policy requires adherence to all national, state or other local employment laws. Our company policy prohibits discrimination in any aspect of employment based on race, color, religion, sex, sexual preference, marital status, national origin, disability or age, within the meaning of applicable laws. We comply with US Equal Employment Opportunity (EEO) laws.

PROHIBITION OF ABUSIVE OR HARRASSING CONDUCT

Our company policy prohibits abusive or harassing conduct by our employees toward others, such as unwelcome sexual advances, comments based on ethnic, religious or racial aspects, or other non-business, personal comments or conduct that make others uncomfortable in their employment with us. Our Company's policy is to provide to its employees of both genders with a protective and pleasant work environment free from harassment, sexual or otherwise and to prevent harmful exploitation of authority and to promote gender equality at work. We encourage employees to report harassment or other inappropriate conduct as soon as it occurs to the direct manager or to an HR representative. Sexual Harassment impinges upon a person's dignity, privacy, equality between the sexes, the work relationship and its environment and contradicts our Company's policy. In addition to harm caused to the work environment, sexual harassment may be a criminal offense. Employees are required to adhere to our Company's policy in this matter as prescribed by the prevailing laws and regulations.

PROHIBITION OF VIOLENT OR THREATENING BEHAVIOR

Galil does not tolerate threatening of violent behavior, which includes work-related settings and outside the workplace. Our Company strictly prohibits the bringing of unauthorized guns or other weapons onto the workplace. Unacceptable behavior includes verbal, non-verbal and physical intimidation or personal attacks. The behavior should be reported to the employees supervisor, human resources representative or management employee. Failure to cease the threatening behavior when requested by anyone who feels they have been threatened may result in disciplinary and/or legal action including termination of employment.

DRUG AND ALCOHOL FREE WORKPLACE

Employees may not use, possess, transfer or sell illegal drugs on company premises and are expected to work free from the influence of illegal drugs, and the misuse of a prescribed drug or alcohol. Abuse of these substances can pose a serious threat to the safety, health and productivity of the organization.

HEALTH, SAFETY AND ENVIRONMENT

All employees are expected to help our Company maintain a healthy, hygienic and safe working environment and to report promptly any unsafe or hazardous conditions or materials, injuries, and accidents connected with our business. Our Company is committed to adhering to safety laws and regulations including fire protection and laws and regulations which promote cleanliness and hygiene in the workplace and to adhere to all applicable company policies and procedures that support a safe working environment.

We are committed to protect the quality of the environment. We respect the policies and requirements of domestic and foreign laws aimed at protecting the environment. Compliance with legal requirements is a minimum standard. We expect a commitment from our employees to report any violations of environmental laws such as water purity, waste and chemical disposal and any exposure to hazardous materials or substances which are not being handled or disposed of properly.

ACCEPTANCE OF GIFTS AND GRATUITIES

Employees must not seek or accept gifts or gratuities in the form of services, entertainment or other items of value from our customers, business partners or other parties with whom our Company does business. Our employees must not offer or give anything of value that could be or appear to be a bribe or otherwise illegal payment. Our Company understands there are reasonable business relationships and expenditures associated with business relationships such as meals that may be allowed. These expenditures must be documented according to our Company Travel and Expense Policy. Items of truly nominal value, given infrequently to an employee such as free promotional items may be permitted assuming these items are not otherwise prohibited by applicable law or custom. Employees should never accept anything that would appear to create a conflict of interest or affect their judgment in the performance of their duties.

EMPLOYEE DATA PRIVACY

We believe in the protection of employee personal data which may be in various forms, including medical records and employment information. We have instituted processes to safeguard this information and we will only share this information as required by law or for appropriate business reasons.

OUR COMMITMENT TO CUSTOMERS AND BUSINESS PARTNERS

QUALITY

Our long term reputation and business viability depend upon our continued maintenance of high quality in the products and services we provide. Employee have the responsibility to understand Galil's Quality Policy and supporting procedures as it relates to them and to ensure we are committed to deliver our products and services only in accordance with the documentation, safety, quality control and other procedures we maintain. Each employee has the responsibility to immediately report noncompliance issues no matter how insignificant.

CUSTOMER RELATIONSHIPS

Our policy is to build lasting relationships with our customers through superior delivery and execution, and honest sales and marketing. We will comply with applicable advertising laws and standards. Our policy also prohibits making false or deceptive statements about our competitors, giving or accepting kickbacks, bribes, inappropriate gifts and other matters prohibited under the conflict of interest topic in this code.

GOVERNMENT SALES

Special legal and contracting rules usually apply to the dealings of our Company with domestic and foreign government agencies. Many national, state or other local government agencies impose bidding or procurement requirements, special billing and accounting rules and restrictions on subcontractors or agents we may engage. Our employees who deal with domestic or foreign government agencies are expected to know the laws applicable to these business activities, and to use sound judgment to avoid any violations of the letter or spirit of the laws prohibiting corrupt practices in connection with government contracting.

Important guidelines to follow:

- Do not offer or accept kickbacks, bribes, gifts or other remuneration.
- Do not solicit or obtain proprietary information prior to the contract or bid award
- If unsure about a particular practice when selling to governments and associated entities or institutions funded by a government, consult with a member of the executive team.

SUPPLIER AND THIRD PARTY AGREEMENTS

Agreements with suppliers and third parties including agents, distributors, consultants, resellers, independent contractors and subcontractors who provide products and services are required to be in writing and based exclusively on the best interests of our Company and its business, reflect a fair price for the deliverables provided, and documented in accordance with internal control procedures. Agreements with agents and distributors shall include statements on compliance expectations. Product development and manufacturing suppliers must be evaluated and approved prior to the purchase of any materials. Business practice standards of third parties should be evaluated during selection and include any past violations of applicable laws. Our policy prohibits engaging third parties to do indirectly what we as a company should not do under our own policies and procedures.

OUR COMMITMENT TO COMPLIANCE

FRAUD AND ABUSE, AND ANTI-KICKBACKS

Galil recognizes there are laws and regulations in many countries including the U.S. that prohibit payment of money or anything of value, directly or indirectly, that has as one of its purposes to influence conduct, judgment or to ensure a desired outcome or gain an improper advantage in a business transaction. These laws and regulations may also prohibit certain payments, gratuities, and other items of value or gifts provided to physicians or other health care providers who purchase or can influence the purchase of the Company's products or services when products are reimbursed by a government entity. As a member of AdvaMed, Galil has implemented policies and procedures to ensure compliance to the AdvaMed Code of Ethics in guiding its interactions with Health Care Professionals (HCP) in the U.S. The Company expects employees involved in interactions with HCP to be trained and understand laws and regulations in the countries where the Company does business.

U.S. FOREIGN CORRUPT PRACTICES ACT (FCPA)

Galil and its employees will not participate in any corrupt business practice. FCPA prohibits the Company and its subsidiaries from making payments or providing promises to officials of governments outside the U.S. for the purpose of obtaining favorable government action or retaining government business. Many other countries have similar laws intended to prohibit corrupt practices. Government official may also include physicians and other employees of state-owned hospitals or other similar facilities. Foreign distributor and agent agreements shall contain language identifying the Company's expectation to adhere to principles identified in FCPA. The Company expects employees to be educated to ensure their understanding of FCPA and to immediately report to their supervisor, manager or officer any activity that causes them concern or is inconsistent with the Company's FCPA Policy or any of its agreements with foreign distributors or agents

Prohibited activity includes:

- Influencing the acts or decisions of the official.
- Inducing the official to act or failing to act in their duties.
- Inducing the official to use their influence to assist or retain business for or directing business to any person.

U.S. IMPORT EXPORT CONTROLS AND ANTIBOYCOTT

Galil and its employees must comply with applicable restrictions under domestic and foreign laws relating to importing or exporting technology, products, services, or regulated information. These laws impact the export and re-export of U.S. origin goods, and any participation in boycotts not sanctioned by the U.S. Government. This includes steps to be taken to ensure that our Company's products are not improperly exported, re-exported or diverted to destinations not identified on the commercial invoice without the appropriate and prior authorization. This process also requires accurate and timely filling out and recording financial records and documents as required by law and company policies and procedures. Employees responsible for international shipping and distribution of products and other materials and those that travel on company business to foreign countries are expected to know and abide by applicable import/export and similar restrictions.

LABELING, ADVERTISING AND SALES PROMOTION

There are specific laws and regulations that govern what we can say verbally or claim in our product labeling, advertising and other sales promotion materials as well as what we can say about our competitors and their products. We are prohibited from selling any product before it has been approved or making statements inconsistent with the approved indications or making misstatements or omitting required information.

PATIENT DATA PRIVACY

During the course of conducting its global business the Company's employees may see, hear or be provided protected patient health information related to treatment with the Company's products. The Company understands and recognizes there are foreign and U.S. laws protecting the privacy of patient information. This information may include, but is not limited to clinical studies, device reporting requirements, technical information requests from customers or technical support in the field. The Company expects this patient information to be treated as confidential. There are limited circumstances where patient information can be shared with some employees who need to use the information to do their job. The Company maintains a policy that outlines the circumstances as to which employees have access to patient information and under what circumstances the patient information can be shared.

ANTITRUST LAWS

Galil and its employees must comply with the antitrust and unfair competition laws of the countries in which our Company engages in business. These laws vary by country and can be complex. Employees having roles which may implicate antitrust laws are responsible for knowing the laws that apply to their business activities, and should consult the Chief Financial Officer if any questions arise. Generally, these laws prohibit or regulate merger and acquisitions, attempts to monopolize or otherwise restrain trade, selling products below cost, price fixing or other agreements with competitors that would divide or allocate customers or otherwise harm customers, "tying" arrangements that require a customer who wishes to buy a given product to buy other products or services, artificially maintaining prices, and certain other restrictive agreements or arrangements. Our employees must not exchange nonpublic sales information with competitors and must also be aware of this restriction when participating in trade association industry meetings and standard setting work groups.

POLITICAL CONTRIBUTIONS AND COMMUNITY

We respect our employees' involvement in the community, charity and political activities and causes they may choose, so long as these activities do not interfere with job responsibilities. No employee may represent that the employee's views or activities represent our Company. Our employees must not engage in any unwanted solicitations or pressure toward other employees relating to charitable, religious or political causes.

Employees shall not contribute in the Company's name or on our Company's behalf, any cash, services or property of any kind for or in support of any religious group, political candidate, committee, initiative, or activity. No lobbying efforts or contracts shall be undertaken in our Company's name or on our Company's behalf without the prior approval of our President and Chief Executive Officer, Chief Financial Officer, and Board of Directors.

OUR COMPANY CONTACTS

- Immediate Supervisor
- Department Manager
- Department Director
- HR Department
- Any Vice President
- Chief Financial Officer (CFO)
- President and Chief Executive Officer (CEO)

Anonymous Contact (via postal mail or anonymous email)

- Chief Financial Officer (CFO)
- Chief Executive Officer (CEO)