

**XTL BIOPHARMACEUTICALS
LTD.**

Code of Business Conduct

September 2016

XTL Biopharmaceuticals Ltd.

Code of Conduct

Table of Contents

Table of Contents	2
Message from the CEO	3
Introduction	4
Purpose of the Code	5
Compliance Obligations	5
Compliance with Laws and Regulations	5
Medical Device Laws	6
Clinical Trials	6
Antitrust and Fair Competition	7
Anti-Kickback, Bribery	7
Environmental	7
Legal Obligations	7
Insider Trading	7
Advertising and Promotion	8
Integrity	9
Business Courtesies and Gifts	9
Relation with Government Officials	9
Confidentiality	9
Intellectual Property	10
Removal of Equipment from the Company premises	10
Corporate Records	10
Conflicts of Interest	11
Protection of Corporate Assets	12
Job Accountability	12
Investor and Media Relations	12
Financial Records and Periodic Reports	12
Human Resources	13
Employee Relations and Non-Discrimination	13
Harassment	13
Health and Safety	14
Employees Privacy	14
Diversity	14
Employee Communications	15
Quality	15
Quality policy	15
Implementation of the Code of Business Conduct	15
Reporting of Violations	15
Whistleblowers	16
Disciplinary Action	17
Waivers	17
Certificate of Compliance	18

Message from the CEO of the Company

XTL Biopharmaceuticals is an Israeli biopharmaceutical company focused on the development, in-licensing, acquisition, and commercialization of proprietary products and late-stage pharmaceutical product candidates for the treatment of unmet medical needs.

We are dedicated to conducting our business honestly, ethically and with sensitivity wherever we operate in the world. We firmly believe that these qualities and standards begin at home and we must treat each other with patience, trust and respect all the time.

Adhering to these standards as a company will earn XTL Biopharmaceuticals the trust and respect of our customers, patients, suppliers, regulators and fellow employees, consultants and service providers (hereinafter: "**Employee**" or "**Employees**" as the case may be) while sustaining our long-term commitment to our shareholders.

Our individual and collective actions form the basis of XTL Biopharmaceuticals' reputation outside of our company. Our good name and strong reputation are vital corporate assets that help build credibility in the marketplace and subsequently contribute to the success of our business.

This Code of Business Conduct is a statement to which we readily adhere as a company and a practical mechanism for addressing particular issues and questions.

The Code of Business Conduct defines four corporate values that shape our business practice:

- **Integrity**
- **Mutual Respect**
- **Legal and Compliance obligations**
- **Dedication to Quality**

Josh Levine, CEO

XTL Biopharmaceuticals Ltd.

XTL Biopharmaceuticals Ltd.
Code of Conduct

Introduction

We at XTL Biopharmaceuticals Ltd. (including its subsidiaries) (collectively, “***XTL Biopharmaceuticals***” or the “***Company***”) have set high ethical standards for the way in which we do business. In keeping with these standards, we are expected to conduct our activities in compliance with all applicable laws and in a fair and honest manner. The Code of Business Conduct (the “***Code***”) contained in this booklet will assist us in doing this as we move our company forward.

The Code proceeds from the general to the specific. The first topic addresses compliance with applicable laws (such as anti-trust and fair competition, anti- kickback, and environmental laws) and industry-specific laws (clinical trials laws). The second topic addresses company-related issues, including insider-trading, integrity, confidentiality, intellectual property and conflicts of interest. The third topic focuses on issues pertaining to the individual Employee, such as harassment, health and safety and Employee privacy. The fourth topic addresses the quality assurance of our products themselves.

It is important to emphasize that the Code is formulated at the level of general principles only and cannot be expected to provide specific answers for every possible occasion. Nor does it replace specific and detailed procedures that the company has instituted. It is, however, very important for each of us to understand the principles it contains, as well as applicable laws and the policies and procedures that relate to our work. In case some part of this document is not clear, you are requested to contact our Chief Financial Officer for clarification.

The Code is provided to delineate appropriate business conduct. It is essential that you take time to read and understand it. Your dedication to these principles will enhance and maintain our corporate reputation for integrity and quality.

This XTL Biopharmaceuticals Code of Business Conduct is continually evaluated and may be amended, modified or terminated at any time without prior notice to Employees.

XTL Biopharmaceuticals Ltd.
Code of Conduct

Purpose of the Code

This Code reflects and emphasizes XTL Biopharmaceuticals's shared values and culture. The Code is a statement reinforcing the principle of good conduct and the standards of moral and ethical behavior that all directors and Employees of XTL Biopharmaceuticals are required to follow in the performance of their duties and functions.

The purpose of the Code is to set forth principles of business ethics and conduct that XTL Biopharmaceuticals requires all Employees to follow when dealing on the Company's behalf with its customers, suppliers, general public, government and fellow workers, while taking care to avoid personal activities which might conflict with the Company's interest.

The code is designed to 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.

The content of this document relates to all XTL Biopharmaceuticals Employees world-wide and must be adhered to at all times. Accordingly, these principles are applicable to all of the Company's operations, domestic or foreign. In addition, the Code applies to directors in connection with their director-related activities for the Company.

Every Employee is held responsible for his or her own conduct. Managers at XTL Biopharmaceuticals, in particular, are required to set an example for their subordinates by strictly adhering to these principles. No one in the Company has been granted the authority to violate or request another Employee to violate the contents of this document.

All managers are required to present the Code to all XTL Biopharmaceuticals Employees, who will be asked to sign the Certificate of Compliance attached to this document *when joining the Company and thereafter* every 18 months. The signature on the Certificate signifies that: (1) the Employee has read this Code and has agreed to act in full compliance with its contents ;(2) the Employee acknowledges that requesting or pressuring a Company Employee to violate the Code is prohibited; and (3) the Employee is not aware of any violation of the Code by any Company manager or other Employee and that should the Employee become aware of such violation after signing this certificate, he or she is obliged to report the conduct to the Chief Financial Officer, the Chairman of the Audit Committee or the external legal counsel of the Company.

Compliance Obligations

Compliance with Laws and Regulations

XTL Biopharmaceuticals strives to ensure that all its activities are conducted in compliance with applicable laws, regulations and judicial decrees of each country where it transacts business.

As individuals, Employees must strive to be aware of and understand the national laws as well as the business requirements and practices that affect their business unit and area of responsibility.

XTL Biopharmaceuticals Ltd.
Code of Conduct

Each Employee of the Company, while acting on behalf of the Company, shall comply with all applicable governmental laws and regulations. This includes the laws of the country where the Employee is domiciled to work and all countries in which the Employee travels to or conducts business in.

No Employee should take any action on behalf of the Company, that the Employee knows, or reasonably should know, would violate any law or regulation. An Employee having any question as to the validity of an action, proposed to be taken, on behalf of the Company should submit such question to the Chief Financial Officer or the external legal counsel of the Company. Disregard of the law will not be tolerated. Employees should be aware that their conduct and records are subject to internal and/or external audits.

In addition to literal compliance with legal requirements, each Employee must adhere to and comply with the highest moral and ethical standards of the business community in the conduct of business and should not engage in any acts that have the appearance of impropriety.

Clinical Trials

XTL Biopharmaceuticals is committed to conducting all its clinical trial activities in accordance with Good Clinical Practice (GCP), which is an international ethical and scientific quality standard for designing, conducting, recording and reporting trials that involve the participation of human subjects. Compliance with this standard provides public assurance that the rights, safety and well-being of trial subjects are protected, and that the clinical trial data is credible.

XTL Biopharmaceuticals performs clinical trials both in-house, and in hospitals and clinics worldwide. Before trials are initiated, foreseeable risks and inconveniences must be weighed against the anticipated benefit for the individual trial subject and society. Trials should only be initiated and continued only if the anticipated benefits justify the risks.

The rights, safety and well-being of the trial subjects are the most important considerations and prevail over all other interests. Trials are conducted by experienced investigators, in compliance with protocols that have received prior institutional review board (IRB) or independent ethics committee (IEC) approval or favorable opinion. In-house studies must be approved by an independent ethics committee, which has been established especially for XTL Biopharmaceuticals studies.

Freely-given informed consent must be obtained from every subject prior to clinical trial participation, as described in the Declaration of Helsinki, Good Clinical Practice guidelines and applicable regulatory requirements.

The information gathered during trials must be recorded, handled and stored in a way that allows its accurate reporting, interpretation and verification.

To protect volunteers' right to confidentiality, records that could identify subjects must be protected, respecting the privacy and confidentiality rules in accordance with the applicable regulatory requirements.

XTL Biopharmaceuticals Ltd.
Code of Conduct

Antitrust and Fair Competition

It is XTL Biopharmaceuticals's policy to adhere strictly to all applicable fair competition laws in its global operations. The following are examples of unacceptable business practices, which represent unfair competition and are prohibited:

- discussions with competitors regarding pricing, bids, discounts, promotions, profits, costs, terms or conditions of sale, royalties, warranties, production plans or inventories;
- agreements with competitors to allocate customers, divide territories or limit production or innovation are also strictly prohibited;
- making purchases from a supplier dependent on the supplier's agreement to purchase from XTL Biopharmaceuticals; and
- unfair methods of competition and deceptive acts or practices.

Anti-Kickback, Bribery

XTL Biopharmaceuticals' policy on kickbacks and bribes is clear; they are illegal and are not allowed.

Environmental

The Company is committed to doing business in an environmentally responsible manner. It will continually seek to assure that its operations, to the fullest extent feasible, preserve and improve the environment and protect the health and safety of Employees, customers, and communities where the Company does business.

As part of being a responsible member of the community, XTL Biopharmaceuticals strongly believes in caring for the environment around its facilities. Compliance with legal requirements is only a minimal standard and the Company is committed to exceeding regulatory standards where appropriate. All Employees are expected to be aware of environmental issues and comply with all applicable environmental laws.

Legal Obligations

Insider Trading

In the course of business, the Company will need to announce "material" developments regarding its operations. Such material information includes potential acquisitions, earnings, new products or discoveries, product approvals, stock splits, major management changes, upcoming litigation or regulatory proceedings, and joint ventures, purchase or sale of significant assets, significant customer relationships, anticipated mergers, partnerships or divestitures, business restructuring, and other business-critical events. Investors may consider this information as important in deciding whether to buy, sell or hold XTL Biopharmaceuticals' shares or the shares of its competitors.

XTL Biopharmaceuticals Ltd.
Code of Conduct

At the appropriate time, as decided by the Company's Management, such announcements are made through public means, such as news releases, to ensure that all information is made available to all members of the investing community on an equal basis.

Employees are prohibited from disclosing confidential information to someone outside the corporation. "Tips" to friends, relatives or others and trading as a result of this, on the Employee's account, or by proxy, are absolutely prohibited.

Violators of securities laws are subject to severe civil and criminal punishments. Employees must exercise the utmost care in handling such material inside information to avoid legal and ethical violations, paying particular attention to the following:

- securities laws prohibit Employees from trading in securities based on material non-public (inside) information for as long as it remains undisclosed;
- XTL Biopharmaceuticals' policies prohibit Employees from trading in puts and calls of XTL Biopharmaceuticals shares and those of its competitors; and
- Employees are prohibited from disclosing confidential information to someone outside the corporation.

Employees may not attempt to evade this policy by acting through any third party.

XTL Biopharmaceuticals has adopted a Policy on the Prevention of Insider Trading which is available to all the Company's Employees. Employees are required to read this policy and adhere to it.

Advertising and Promotion

It is XTL Biopharmaceuticals' policy to promote and market its products in a lawful and truthful manner. While it is natural to want to present each product in the best light, Employees must be careful to offer a balanced, accurate and legal representation of product capabilities and benefits. Applicable regulations require that the Company represent its products in a manner consistent with the applicable labeling and market approvals. All information provided to customers must be accurate, complete and legal. The medical information included in all promotional materials must be correct and fully supported by the product information, literature or other data, without any exaggeration or otherwise misleading expression.

Consequently, news media contact and responses and public discussion of Company business may only be made after coordination with the Management of the Company.

Integrity

Corporate integrity is at the foundation of the Code. All Employees are expected to record and report information accurately and honestly, whether that information is submitted to the Company or to organizations or individuals outside the Company.

XTL Biopharmaceuticals Ltd.
Code of Conduct

Business Courtesies and Gifts

In general, the giving or receiving of gifts and gratuities in return for the use or purchase of XTL Biopharmaceuticals products or otherwise doing business with XTL Biopharmaceuticals is prohibited. However, gifts, gratuities, or courtesies of modest value that are part of ordinary business practice, such as an occasional meal, are usually acceptable. Useful tests for determining a gift's inappropriateness are: (1) if the gift would create embarrassment or obligation for the giver or receiver, or (2) if the action could not stand up to public scrutiny. In receiving gifts, Employees must ask themselves whether one purpose of a gift is intended to influence, or appear to influence, business decisions and would thereby compromise their ability to act in the best interests of XTL Biopharmaceuticals.

Company Employees should not seek to gain any advantage through the improper receipt of favors or other inducements from suppliers or business associates. Good judgment and moderation must be exercised to avoid any adverse effect on the reputation of the Company or its Employees.

Gifts, favors entertainment or other inducements, of more than token value or offered at less than market value, may not be accepted by an Employee or a member of the Employee's family, from any person or organization that does or seeks to do business with, or is a competitor of the Company. If the gift is of more than token value, a member of the Company's Management must approve its acceptance, in writing.

A stricter standard applies when suppliers are involved. Any Employee or manager involved in purchasing or the finance department of the Company, who deals directly with suppliers, may not receive any form of gift at any time from any supplier unless approved by the CEO of the Company.

Company policy does not allow the receipt of a gift in cash or cash equivalent, under any circumstances.

The Company must avoid not only actual impropriety, but also the appearance of impropriety.

Relation with Government Officials

It is important that all Employees realize that the Company's relationship with government officials should be of such a nature that the integrity and reputation of the Company in the eyes of such officials be maintained.

Confidentiality

Every XTL Biopharmaceuticals Employee is obligated to protect the Company's confidential information as well as that of its customers, patients, suppliers, shareholders, fellow Employees, and third parties who disclosed information to XTL Biopharmaceuticals in confidence.

It is XTL Biopharmaceuticals' policy that all information developed or shared as a result of the business process is proprietary to XTL Biopharmaceuticals and must be treated as confidential. Such confidential information includes pricing, financial data, research and development information, marketing and sales programs, employment records, potential contracts or ventures,

XTL Biopharmaceuticals Ltd.
Code of Conduct

customer data, and patient records. It also includes internal correspondence, regulatory reports, and computer passwords or software.

Employees should be particularly careful not to inadvertently disclose confidential information through electronic media, such as e-mail, telephone voice mail, or Internet chat rooms. Any documents containing proprietary information should be so marked and should be shredded when no longer necessary or required. Information is stored in many locations and forms, such as computer drives, CD- Roms, diskettes, cellular phones, disk-on-keys and in hard copy. Employees should promptly report any loss of information to their Manager and to the Chief Financial Officer.

Intellectual Property

Patents, trademarks, copyrights, and trade secrets, all are considered intellectual property and are valuable corporate assets. All Employees have an obligation to protect them. This obligation continues even after an Employee leaves the services of XTL Biopharmaceuticals for any reason.

Employees who develop inventions and ideas in the course of their work for XTL Biopharmaceuticals are obligated to assign ownership of them to XTL Biopharmaceuticals.

Most computer software is protected by copyrights. The Company's policy is to respect such copyrights and to strictly adhere to all relevant laws and regulations regarding the use and copying of computer software. Therefore, the unauthorized duplication of software, whether or not owned by the Company, is prohibited, even if such duplication is for business purposes, is of limited duration, or is otherwise accepted local practice.

XTL Biopharmaceuticals' name and the name, trademark, service mark, logo or trade name associated with it or any of its products are valuable assets of the Company and may not be used by Employees for any purpose except in connection with the furtherance of the Company's business.

If any Employee has knowledge that another company is infringing any of XTL Biopharmaceuticals' patents, or that XTL Biopharmaceuticals is infringing valid patents of another company, they are required to promptly contact the Chief Financial Officer or the external legal counsel of the Company.

Removal of Equipment from the Company premises

To protect the Company's physical assets, management approval is required for the removal of any equipment that is not designated as portable and for the Employee's use (i.e. a laptop computer) from the Company premises in order to enable use of the equipment by all of the Company's Employees.

XTL Biopharmaceuticals Ltd.
Code of Conduct

Corporate Records

Every Employee records, maintains or submits some kind of information within the Company. Examples include, but are not limited to, clinical data, overtime or time worked, product testing results, service reports, product order or shipment reports, financial records and expense reports.

Company documents and records (in any form or media) are part of the Company's assets, and Employees are charged with maintaining their accuracy and safety. Employees are required to record information accurately and honestly, and retain records as long as necessary to meet business objectives and comply with applicable laws and government regulations.

Financial records must accurately reflect all financial transactions of XTL Biopharmaceuticals and its subsidiaries. No false, artificial, or misleading entries shall be made in the books and records of the Company under any circumstances. Design and manufacturing documents must meet the internal and external requirements and support the Company's product safety relevant efforts. Clinical data, such as patient records and forms, must be maintained according to regulatory guidelines and applicable confidentiality standards.

False, misleading or dishonest reporting, both inside and outside the Company, is not only strictly prohibited but can lead to civil or even criminal liability. For example, falsification of expense reports or time records may be considered theft. Submission of false information to the government can, in some instances, lead to fines or imprisonment. Accordingly, information must be recorded or reported accurately and honestly.

Conflicts of Interest

XTL Biopharmaceuticals expects the undivided loyalty of its Employees. This means that Employees should be free from any interest, influence or relationship which might conflict, or appear to conflict, with the best interests of the Company or the effectiveness of their job performance. Employees must, therefore, avoid any investment, or association, which interferes, or might reasonably be thought to interfere, with their best judgment in the performance of their job duties and other actions affecting the Company. Any Employee, who has specific questions regarding the propriety of a particular action, should speak with his or her manager.

Unless prior written approval is granted by the CEO, all Employees must avoid any personal or business influences or relationships that affect, or appear to affect, their ability to act in the best interests of the corporation.

Some situations in which Employees might encounter conflicts of interest are:

- consulting with, or employment in any capacity by a competitor, supplier, or customer of XTL Biopharmaceuticals;
- selling or representing pharmaceutical products developed or licensed by someone other than XTL Biopharmaceuticals;
- owning, directly or indirectly, a significant financial interest in any business that does or seeks to do business with XTL Biopharmaceuticals, or seeks to compete with XTL Biopharmaceuticals;

XTL Biopharmaceuticals Ltd.

Code of Conduct

- employment of family members; and
- contracting with consultants, contractors, vendors or suppliers who are family members of the first degree, unless prior written approval is granted by the CEO; and
- using corporate assets, including Company time, name, information, equipment or facilities, for personal use.

Protection of Corporate Assets

Company assets are meant for use to enhance our business prospects. Accordingly, these assets should be used to conduct Company business and for other limited purposes only as may be approved by an Employee's manager.

Job Accountability

The performance of each Employee's job directly affects patients' lives, livelihoods and privacy, and superior performance of tasks is always expected. Each Employee is responsible for knowing and executing the responsibilities of his or her job, and is held accountable for the quality of the work he or she produces and for the accuracy and confidentiality of the applicable documentation.

Investor and Media Relations

It is XTL Biopharmaceuticals' policy to provide open, accurate, and consistent communication with the public. To maintain the consistency and accuracy of the information, corporate spokespersons are designated to respond to all inquiries. Only these spokespersons are authorized to release information to the public at the appropriate time. Except for designated spokespersons, no Employee should respond to inquiries from the press or investors. All inquiries from the media or investors should be forwarded immediately to the Management of the Company. All Employees, particularly those in management, are expected to conduct themselves in a manner that reflects positively on the Company in any media, including Internet chat rooms and other electronic media.

Financial Records and Periodic Reports

Senior Financial Officers will manage the enterprise transaction and reporting systems and procedures to ensure that:

- business transactions are properly authorized and completely and accurately recorded in the Company's books and records, in accordance with International Financial Regulatory Standards (IFRS) and established Company financial policy;
- the retention or proper disposal of Company records shall be in accordance with established Company financial policies and applicable legal and regulatory requirements; and
- Periodic financial communications and reports will be delivered in a manner that facilitates the highest degree of clarity of content and meaning so that readers and users will quickly and accurately determine their significance and consequence.

XTL Biopharmaceuticals Ltd.
Code of Conduct

Human Resources

Employee Relations and Non-Discrimination

Every Employee at XTL Biopharmaceuticals is an important contributor to XTL Biopharmaceuticals' success. We work as a team to produce quality products and services that meet or exceed quality commitments and the reasonable expectations of our customers. In so doing, the Company is committed to hiring, promoting and compensating Employees based on their qualifications and demonstrated ability to perform job responsibilities and to prevent any form of harassment. As an Equal Opportunity Employer, the Company treats all Employees fairly, without regard to age, race, national origin, religion, gender, color, condition of pregnancy, marital status, disability, veteran status and sexual orientation. XTL Biopharmaceuticals firmly believes that a high-quality, diverse workforce is the key to maintaining our competitive advantage.

If an Employee believes that he or she is subject to conduct in any form which is not conducive to a productive and safe work environment, the Employee should report such condition or conduct to his or her senior manager, the office of the Chief Financial Officer and/or the Chairman of the Audit Committee.

Harassment

At XTL Biopharmaceuticals, we expect everyone to treat each other with full respect. Basic to the relationship among Employees is the recognition of the value and worth of each Employee and the necessity to provide a working climate, free from discrimination and harassment based on age, race, national origin, religion, gender, color, condition of pregnancy, marital status, disability, veteran status, sexual orientation or any other illegal or inappropriate basis.

We will not tolerate unwelcome sexual advances, actions, comments or any other verbal or written (including e-mails, bulletin boards, internet, media or any other public or private forum) or physical conduct in the workplace that disrupts or interferes with work performance or which creates an intimidating, hostile or otherwise offensive environment. Similarly, the use of racial, ethnic or religious slurs, or any remarks, jokes or conduct that encourages or permits an offensive work environment is not acceptable.

Conduct prohibited by these policies is unacceptable in the workplace and in any related setting outside the workplace, such as during business trips, business meetings and business-related social events.

Cases of harassment should immediately be reported to the Chief Financial Officer and to the direct manager of the Employee that suffered the harassment.

XTL Biopharmaceuticals prohibits retaliation against any individual who reports discrimination or harassment or participates in an investigation of such reports. Retaliation against an individual for reporting harassment or discrimination or for participating in an investigation of a claim of harassment or discrimination is a serious violation of this policy.

Health and Safety

XTL Biopharmaceuticals Ltd.
Code of Conduct

XTL Biopharmaceuticals seeks to provide each Employee with a clean, safe, and healthy place to work. To achieve that goal, all Employees must understand the shared responsibilities of abiding by all safety rules and practices, taking the necessary precautions to protect oneself and co-workers, and reporting to their direct manager immediately about any unsafe conditions, practices or accidents

Employees Privacy

Access to personal information that relates to an Employee's employment, including medical and benefit information, is restricted to people with an appropriate business need to know. Personal information will be released outside the Company only with the Employee's written approval.

Employees who are responsible for maintaining personal information, and those who are provided access to such information, must ensure that the information is not disclosed in violation of the Company's policies or practices.

Employees should be aware that XTL Biopharmaceuticals has rights of access to all Company property, including computers, and all communications, electronic mail and voicemail messages, records, and information created in the business setting and may monitor or inspect all computer documents, systems, disks, voice-mail, e-mail, and the like to assure the security of our documents and systems, and to maintain quality standards, to investigate disputed matters as required, or otherwise to further the Company's business interests.

It is prohibited for Employees to share their employment terms with other Employees, or to pressure other Employees to reveal their own.

Human Resources serves as the custodian of all employment-related information and an Employee should direct any questions or concerns regarding the dissemination of personal information to the Chief Financial Officer.

Diversity

XTL Biopharmaceuticals is committed to providing equal employment opportunities to all Employees and applicants for employment without regard to race, color, religion, sex, national origin, age, medical condition or disability, sexual orientation, marital status or status as a disabled war veteran or any other class or status protected by law in accordance with all applicable laws. This policy applies to all policies and procedures relating to, but not limited to, recruitment, interviewing, hiring, classifying, training, promotion, demotion, discipline, compensation, benefits, termination, and all other terms and conditions of employment.

Because XTL Biopharmaceuticals is committed to a work environment in which all individuals are treated with respect and dignity, a policy of non-discrimination and non-harassment is in effect and is strictly enforced. Each individual has the right to work in a professional atmosphere that promotes equal employment opportunities and prohibits discriminatory practices, including harassment. Therefore, the Company expects that all relationships among persons in the workplace will be business-like and free of bias, prejudice and harassment.

XTL Biopharmaceuticals Ltd.
Code of Conduct

Employee Communications

XTL Biopharmaceuticals encourages open communications. Free exchange of information between Employees promotes performance, teamwork, and innovation. Employees of XTL Biopharmaceuticals, regardless of their geographical setting and regardless of hierarchies, are expected to pass along their ideas, suggestions, and concerns. XTL Biopharmaceuticals' internal network, corporate newsletters and updates are other vehicles for Employee communications.

Quality

Quality policy

We at XTL Biopharmaceuticals are dedicated to superior quality products, with the aim of promoting public health and quality of life, and as the key to our success.

To achieve the highest level of quality, strict guidelines have been developed to protect everyone involved in the research process. No product will be released for commercial sale or use until it has satisfied applicable standards of safety and efficacy.

XTL Biopharmaceuticals Employees focus on continuous improvement of work activities. This includes enhancing value to customers through new and improved services; reducing errors, defects, and waste; improving responsiveness to the customer; and improving productivity and effectiveness in the use of resources. XTL Biopharmaceuticals will monitor the performance of its products and will respond in a timely manner to any product issue.

Implementation of the Code of Business Conduct

At XTL Biopharmaceuticals, ethics is everyone's business. All managers are responsible for communicating this policy to the Employees under their supervision and the policy will be electronically available at all times. Any revisions or updates to this policy will be published periodically and appropriately distributed for inclusion in the online web-site of the Company and other appropriate locations.

Reporting of Violations

Any Employee having information, knowledge or suspicion of any actual or contemplated action which is, or appears to be, in violation of the Code is required to report the matter promptly to his or her manager, to the Chief Financial Officer, the Chairman of the Audit Committee or the external legal counsel of the Company and any other reporting channel established by the Company. All Employees are required to recognize the critical importance of legal compliance and the Company's commitment to ethical conduct. Failure to report a known violation of law or policy may result in disciplinary action up to and including termination. If the report is made to the Employee's manager, the manager shall promptly report the matter to the Chief Financial Officer or the external legal counsel of the Company. In some cases, Employees may report issues to the Audit Committee of the Board of Directors in writing using the external legal counsel as a channel. Employees who report an actual or apparent violation of this policy will not be subject to retaliation or reprisal from

XTL Biopharmaceuticals Ltd.

Code of Conduct

any person as a result of having disclosed the violation and any such attempt at retaliation or reprisal will result in disciplinary action up to and including termination.

Whistleblowers

Any Employee who become aware of or suspects legal, ethical, or financial reporting violations, has a responsibility to report it immediately to his supervisor, another supervisor, or an officer of the Company, as circumstances require. If reporting to any of these individuals is not comfortable or the Employee believes the matter is serious or sensitive, then a report should be made to any of the following authorized ombudsman of the Company.

The contact information of the Company's ombudsman are:

Legal Consul:

Name: Ronen Kantor, Adv

Address: DTKGC & SRFF, 12 Abba Hillel Road, Ramat Gan, Israel

Tel: +972-3-613-3371

Chief Financial Officer:

Name: David Kestenbaum

Address: XTL Biopharmaceuticals Ltd., 5 HaCharoshet Street, Raanana, Israel

Tel: +972-9-955-7080

Chairman of the Audit Committee:

Name: Ms. Ossi Hillel-Fain

Address: 20 Y.L Gordon St.
Tel Aviv, 63458 Israel

Tel: +972-54-738-3874

Although the Employee (or any other whistleblower) is not expected to prove the truth of an allegation, the reporting individual needs to demonstrate to the person contacted that there are sufficient grounds for concerns. All reports can be made anonymously and will be kept as confidential as the circumstances reasonably permit, taking into consideration the legal requirements and the necessity for investigation. All reports will be reviewed and investigated promptly.

Safeguards/No Retaliation for Good Faith Reports

Every effort will be made to protect the whistleblower's identity. The Code encourages individuals to put their names to reports because appropriate follow-up questions and investigation may not be possible unless the source of the information is identified. Concerns expressed anonymously will be investigated, but consideration will be given to the seriousness of the issue raised, the credibility of the concern, and the likelihood of confirming the allegation from reliable sources. Good faith reporting of possible violations

XTL Biopharmaceuticals Ltd.

Code of Conduct

of law, ethics or accounting requirements will not subject an employee to any reprisal or retaliation. Harassment of, or retaliation against any employee making a good faith report pursuant to this Code, or any other person participating in any investigation in good faith will not be tolerated.

Malicious and/or knowingly false reports or allegations may result in disciplinary action up to and including termination of employment.

Disciplinary Action

The Board of Directors shall determine, or designate appropriate persons to determine, appropriate actions to be taken in the event of violations of the Code. In determining what action is appropriate in a particular case, the Board of Directors or such designee shall take into account all relevant information, including the nature and severity of the violation, whether the violation was intentional or inadvertent, the extent of the likely damage to the Company and its shareholders resulting from the violation and whether the Employee has committed previous violations of the Code or other Company policy concerning ethical behavior. Violations of the rules and policies of conduct set forth in the Code may result in one or more of the following disciplinary actions, as appropriate:

- a warning;
- a reprimand (noted in the Employee's personnel record);
- probation;
- demotion;
- temporary suspension;
- required reimbursement of losses or damages;
- termination of employment; and/or
- referral for criminal prosecution or civil action.

Disciplinary measures may apply to any supervisor who directs or approves such actions, or has knowledge of them and does not promptly correct them.

Waivers

Any waiver of the Code made to any executive officer or director of XTL Biopharmaceuticals will only be granted by the Board of Directors. XTL Biopharmaceuticals will promptly disclose to its shareholders any waivers of this Code of Business Conduct made to any executive officer or director of XTL Biopharmaceuticals together with the reasons for the waiver, in accordance with the rules of the Tel-Aviv Stock Exchange.

Certificate of Compliance

XTL Biopharmaceuticals Ltd.
Code of Conduct

All XTL Biopharmaceuticals Employees are required to fill out and sign this Certificate of Compliance. In the event you are not now in compliance, or are not certain, or believe that any part of the Statement does not pertain to you for some reason, you should discuss the matter with the Chief Financial Officer and attach a memorandum to your certificate explaining the situation.

I certify that:

1. I have received and read the XTL Biopharmaceuticals Code of Business Conduct.
2. I understand and accept the statements contained therein, and that as of this date I am in compliance, and will continue to comply, with the policies set forth in the booklet, and I am not aware of any violation of this Code by any Company Employee or manager, except to the extent described in the attached memorandum of exceptions (if such memorandum is relevant).
3. I understand that the policies and practices set forth in this booklet are continually evaluated and may be amended, modified or terminated by XTL Biopharmaceuticals.
4. I am aware and received information regarding the whistleblowers of the Company, which provides means for anonymous and confidential reporting regarding questionable accounting and auditing matters and violation of the Company's Code of Business Conduct.

Signature _____

Date _____

Please print or type name, department or other area of responsibility.

Name _____

Department _____

I have attached a memorandum of exceptions to the Certificate, including any variances whatsoever from the provisions of XTL Biopharmaceuticals Code of Business Conduct.

NOTE: Any exception to the Certificate is to be sent immediately to the Chief Financial Officer or the external legal counsel of the Company.