

## **ORBOTECH LTD.**

### **CODE OF BUSINESS CONDUCT AND ETHICS**

The Board of Directors of Orbotech Ltd. (with its subsidiaries, the “**Company**”) has adopted this code of ethics (this “**Code**”) to:

- Promote honest and ethical conduct, including fair dealing and the ethical handling of conflicts of interest;
- Promote full, fair, accurate, timely and understandable disclosure in all material respects in reports and documents the Company files with, or furnishes to, the United States Securities and Exchange Commission (the “**SEC**”) and other applicable governmental authorities, and in its other public communications;
- Promote compliance with applicable laws and governmental rules and regulations including the United States Foreign Corrupt Practices Act of 1977 (the “**FCPA**”), the United Kingdom Bribery Act 2010 (the “**Anti-Bribery Act**”) and the Israel Penal Law, 1977 (the “**Penal Law**”);
- Promote equal opportunity and maintain a respectful and affirming workplace;
- Ensure the protection of the Company’s assets, including its intellectual property, and legitimate business interests;
- Deter wrongdoing;
- Ensure that the intellectual property rights of third parties are respected;
- Promote the prompt internal reporting of violations of this Code to the appropriate person at the Company; and
- Promote accountability and adherence to this Code.

All directors, officers and employees of the Company are expected to be familiar with this Code and to adhere to those principles and procedures set forth in this Code that apply to them.

For purposes of this Code, the “Code of Ethics Contact Person” will vary for different employees. For all directors and senior management and corporate officers of the Company (as disclosed in the Company’s Annual Report on Form 20-F to the SEC (the “**Directors**” and “**Executive Officers**”, respectively)), the Code of Ethics Contact Person shall be the Chairman of the Audit Committee of the Board of Directors of the Company (the “**Audit Committee**” and the “**Board**”, respectively). For all other officers and employees, the Code of Ethics Contact Person shall be the Corporate Vice President and Chief Financial Officer of the Company (the “**CFO**”), except in circumstances where it may be inappropriate for an officer or employee to involve the CFO, in which case he or she should contact the Chairman of the Audit Committee.

#### **I. Honest and Candid Conduct**

Each director, officer and employee owes a duty to the Company to act with integrity, which, among other things, requires being honest and candid, and precludes fraud, bribery, discrimination, harassment, willful misconduct, seeking to obtain improper influence, deceit, subordination of principle and inappropriate use of social media.

Each director, officer and employee must:

- Act with integrity, including being honest and candid while still maintaining the confidentiality of information where required by or consistent with applicable law or the Company's policies and protecting the proprietary information of the Company and of third parties and adhering to Company policies in such respect;
- Observe both the form and spirit of laws and governmental rules and regulations, accounting standards and Company policies;
- Adhere to a high standard of business ethics; and
- Behave appropriately in the workplace, at Company events and with respect to Company property.

## **II. Fair Dealing**

Our policy is to conduct our affairs in a spirit of honest business competition, while acting in compliance with applicable antitrust, competition, anti-bribery and fair dealing laws. We do not seek competitive advantages through illegal or unethical business practices. Each director, officer and employee should endeavor to deal fairly with, and to respect the intellectual property rights of, the Company's customers, service providers, suppliers, competitors and employees. No director, officer or employee should take unfair advantage of anyone, whether through abuse of privileged information, bribery, coercion, misrepresentation of material facts or any other unfair dealing practice. Just as we value and protect our own proprietary information and trade secrets, it is also our policy to respect the intellectual property rights of others and to maintain the confidentiality of proprietary information we receive from third parties, such as suppliers, customers and business partners, to the extent that it is confidential. No unauthorized use of third parties' proprietary information should be made nor should such information be disclosed to unauthorized recipients, whether within or outside the Company.

## **III. Conflicts of Interest**

A "conflict of interest" occurs when an individual's personal interest interferes or appears to interfere with the interests of the Company. A conflict of interest can arise when a director, officer or employee takes actions or has interests that may make it difficult to perform his or her Company work objectively and effectively. For example, a conflict of interest would arise if a director, officer or employee, or a member or his or her family, receives improper personal benefits (including personal loans, services or payment for services that the person is performing in the course of Company business) as a result of his or her position in the Company or gains personal enrichment through access to confidential information. Any transaction or relationship that could reasonably be expected to give rise to a conflict of interest should be discussed with the Code of Ethics Contact Person.

The foremost guiding principle is that service to the Company should never be subordinated to personal gain and advantage. Conflicts of interest should, wherever possible, be avoided. In particular, clear conflict of interest situations involving Directors and Executive Officers and other employees who occupy supervisory

positions or who have discretionary authority in dealing with third parties may include, without limitation, the following:

- Any significant ownership interest in any supplier or customer;
- Any consulting or employment relationship with any customer, supplier or competitor;
- Any business activity, external to the Company, that detracts from an individual's ability to devote appropriate time and attention to his or her responsibilities with the Company;
- The receipt of non-nominal gifts or excessive entertainment from any entity with which the Company has current or prospective business dealings; and
- Being in the position of supervising, reviewing or having any influence on the job evaluation, compensation or benefits of any immediate family member.

Such situations should always be discussed, when possible in advance, with the Code of Ethics Contact Person.

Any situation that would present a conflict of interest for a director, officer or employee would likely also present a conflict of interest if it is related to a member of his or her family.

The provisions of this Code in no way derogate from the provisions of any applicable laws, including in particular the Israeli Companies Law. Directors and officers of the Company owe a duty of loyalty to the Company and they should familiarize themselves with the nature and extent of this duty, as well as with the disclosure requirements under Israeli law which apply to them and with the process of approving transactions between them and the Company or in which they have a personal interest. The requirements and provisions of the Israeli Companies Law on these matters are separate and are not part of this Code.

#### **IV. Compliance and Equal Employment Opportunity**

It is the Company's policy to comply with all applicable laws, rules and regulations, in the jurisdictions in which the Company conducts business. The need to comply with such laws, rules and regulations means that there exists a personal obligation on each director, officer and employee to adhere to the standards and restrictions imposed by those laws, rules and regulations and to seek appropriate guidance when necessary.

It is against Company policy, and in many circumstances illegal, for a director, officer or employee to profit from non-public information relating to the Company or to any other company.

The Company's Policy on Confidentiality and Trading in Company Securities (the "**Insider Trading Policy**"), which applies to trading in the Company's securities, is not a part of this Code. Any director, officer or employee who is uncertain about the legal rules involving a purchase or sale of any Company securities or any securities in companies with which he or she is familiar by virtue of his or her work for the Company should review the Insider Trading Policy.

The Company and its directors, officers, employees and certain other associated persons are subject to anti-bribery laws in various jurisdictions around the world where the Company conducts business. Such laws, including the FCPA, the Anti-Bribery Act and the Penal Law, are referred to herein as the “**Applicable Corruption Laws**”. In accordance with the Applicable Corruption Laws, the Company expressly prohibits its directors, officers and employees from giving, providing, offering or authorizing the payment of anything of value to any person, whether in the private sector or a government official, for the purpose of influencing him or her in order to obtain, secure, promote or retain business or any improper business advantage that they otherwise might not have obtained, secured, promoted or retained without such gift, promise, offer or authorization and from receiving, accepting or agreeing to accept anything of value from any person, for the purpose of giving, securing or refraining from giving to a third party any business or business advantage that they otherwise might not have given, secured or refrained from giving to a third party without such gift, promise or offer. Violations of the Applicable Corruption Laws expose such directors, officers, employees and the Company to criminal prosecution in Israel, the United States and in other jurisdictions around the world in which the Company conducts business.

The Company’s Anti-Bribery Policy (the “**Anti-Bribery Policy**”) is not a part of this Code. Directors, officers, employees and consultants engaged in business dealings on the Company’s behalf are required to review the Anti-Bribery Policy and familiarize themselves with the provisions of Applicable Corruption Laws, including the FCPA, the Anti-Bribery Act and the Penal Law, to ensure compliance.

The Company values the diversity of backgrounds, skills and abilities that a global workforce brings to its business. The Company is committed to providing equal opportunities and to maintaining a work environment where employees are treated with dignity and respect and which is free from unlawful discrimination and harassment. The Company’s policy is to prohibit discrimination in its selection, training and promotion processes, to base employment decisions on the Company’s business needs, relevant job requirements and employee qualifications, competences and expertise, and to promote fair pay practices, without regard to any characteristic prohibited by applicable laws, including gender, gender identity, age, race, ethnicity, religion, marital status, sexual orientation or disability.

The Company’s policy is to maintain a workplace which is free from harassment and the Company prohibits any form of harassment by its directors, officers or employees. This includes any action or statement that creates an intimidating, hostile or offensive work environment. Harassment can include making remarks, telling jokes or displaying materials that offend a particular characteristic protected by applicable law, such as gender, gender identity, age, race, ethnicity, religion, marital status, sexual orientation or disability.

## **V. Responsible Use of Social Media**

The Company acknowledges the right of directors, officers and employees to engage in the use of social media during their personal time; however, it expects them to be respectful in any statements made regarding the Company, co-workers, customers, partners, competitors or others. It is important to bear in mind that a social media

posting is generally considered to be public information and, once posted, may exist indefinitely. Improper or unauthorized disclosures in the name of the Company or on its behalf (whether through the use of social media or otherwise) could damage the Company's reputation, impact the Company's ability to obtain and/or retain customers and expose the Company, its customers and/or partners to legal liability. Directors, officers and employees utilizing social media must make it clear that any views expressed are theirs alone and not those of the Company. Directors, officers and employees should not (whether through the use of social media or otherwise) discuss any prohibited information, including, but not limited to, proprietary information, trade secrets or private Company information and, in particular, should not disclose non-public information regarding the Company's financial performance, business or prospects that might affect the price of the Company's shares or other securities.

The Company's Social Media Policy (the "**Social Media Policy**") is not a part of this Code. Any director, officer or employee who is uncertain about the permitted or prohibited use of social media which may impact the Company is required to review and familiarize himself or herself with the Social Media Policy and act in accordance with its provisions.

## **VI. Disclosure**

Each director, officer or employee involved in the Company's disclosure process, including the Chief Executive Officer, the President and Chief Operating Officer, the CFO, the Corporate Vice President of Investor Relations and Special Projects, the Corporate Secretary and other persons having similar functions (the "**Senior Financial Officers**"), is required to be familiar and comply with the Company's disclosure controls and procedures and its internal controls over financial reporting, to the extent relevant to his or her area of responsibility, so that the Company's public reports and documents filed with the SEC or Nasdaq comply in all material respects with the applicable United States federal securities laws and SEC and Nasdaq rules. In addition, each such person having directorial or supervisory authority regarding these SEC or Nasdaq filings or the Company's other public communications concerning its general business, results, financial condition and prospects should, to the extent appropriate within his or her area of responsibility, consult with other Company officers and employees and take other appropriate steps regarding these disclosures with the goal of making full, fair, accurate, timely and understandable disclosure.

Each director, officer or employee who is involved in the Company's disclosure process, including without limitation the Senior Financial Officers, must:

- Familiarize himself or herself with the disclosure requirements applicable to the Company as well as the business and financial operations of the Company;
- Not knowingly misrepresent, or cause others to misrepresent, facts about the Company to others, whether within or outside the Company, including to the Company's independent auditors, governmental regulators and self-regulatory organizations; and

- Properly review and critically analyze proposed disclosure for accuracy and completeness in all material respects or, where appropriate, delegate this task to others.

## **VII. Record Keeping and Financial Reporting**

All financial statements and books, records and accounts of the Company must accurately reflect transactions and events and conform both to required legal requirements and accounting principles and also to the Company's system of internal accounting. As a reporting issuer under the U.S. securities laws, the Company must ensure that its disclosure of a financial and accounting nature is full, fair, accurate, timely and understandable in all material respects in all reports required to be filed with the SEC. In addition, FCPA accounting provisions require the Company to keep books, records, and accounts that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company. In that connection, all accounts and records of the Company shall be documented in a manner that: (i) clearly describes and identifies with a reasonable level of detail the true nature of business transactions, liability or equity; and (ii) properly, and in a timely manner, classifies and records entries on the books of account in conformity with Generally Accepted Accounting Principles and in compliance with legal requirements in all material respects. No record, entry or document shall be deliberately false, distorted, misleading, misdirected, incomplete or suppressed.

The Company has established internal control standards and procedures designed to ensure that assets are protected and properly used and that financial records and reports are accurate and reliable. These internal control standards and procedures are not part of this Code. Employees share the responsibility for maintaining and complying with required internal controls. Improper accounting and documentation and fraudulent financial reporting are not only contrary to Company policy but may also be in violation of Israeli and/or United States laws and regulations. Such violations potentially involve personal liability, both civil and criminal, as well as sanctions against the Company. Examples include intentionally misclassifying amounts between cost or capital, accelerating or deferring costs or revenue more properly reflected in a current period, misclassifying unsaleable inventory as acceptable finished product and falsifying travel and expense reports.

## **VIII. Accountability and Reporting Violations**

The Board is responsible for applying this Code to specific situations in which questions are presented to it and has the final authority to interpret this Code in any particular situation. Any director, officer or employee who becomes aware of any existing or potential violation of this Code (except in respect of accounting or auditing matters, which are to be notified to the Chairman of the Audit Committee as discussed below) is required promptly to notify the Code of Ethics Contact Person (or if circumstances are such that it would be inappropriate to involve his or her designated Code of Ethics Contact Person, then the other designated Code of Ethics Contact Person). Failure to do so is itself a violation of this Code.

If a violation has occurred, the Company will take such disciplinary or preventive actions, as it deems appropriate, after consultation with the Audit Committee, in the

case of a Director or an Executive Officer, or the CFO, in the case of any other employee.

The Company will conform to the following procedures in investigating and enforcing this Code, and in reporting on this Code:

- Violations and potential violations in respect of accounting or auditing matters reported to the Chairman of Audit Committee will be reported by him/her to the Audit Committee.
- Violations and potential violations will be reported by the Code of Ethics Contact Person to the Audit Committee, in the case of a violation by a Director or an Executive Officer.
- The Chairman of the Audit Committee, the Audit Committee or the CFO, as the case may be, will take all appropriate action to investigate any violations of the Code reported to them.
- If, after such investigation, the Chairman of the Audit Committee, the Audit Committee or the CFO, as the case may be, believes that no violation has occurred, no further action will be necessary.
- If the Chairman of the Audit Committee, the Audit Committee or CFO, as the case may be, determines that a violation has occurred, they will inform the Board, in the case of a violation by a Director or Executive Officer, or the Chief Executive Officer, in the case of a violation by any other employee.
- If the Board or the Chief Executive Officer agrees that a violation has occurred, the Board or the Chief Executive Officer will take such disciplinary or preventive action as it or he or she deems appropriate, which may include dismissal or, in the event of criminal or other serious violations of law, notification to the appropriate governmental authorities.

Whether you are a director, officer or employee of the Company or a consultant working with the Company, you are encouraged to promptly report any practices or actions that you believe to be inappropriate. No director, officer or employee may retaliate against any other director, officer or employee for reports of existing or potential violations that are made in good faith, and you should be aware that if you report in good faith what you suspect to be illegal or unethical activities, you may do so without concern about retaliation from others. Any employees involved in retaliation will be subject to serious disciplinary action by the Company.

## **IX. Communications**

- A. Complaints or information concerning violation of this Code which are intended for the CFO are to be directed, in writing, to the attention of the CFO, either: (i) electronically through the designated “Whistleblower complaints and information submission” page of the Company’s intranet site; or (ii) by being enclosed in a sealed envelope, addressed exactly as follows:

The Chief Financial Officer  
 Orbotech Ltd.  
 P.O. Box 215, Yavne 8110101,  
 Israel

Strictly Private and Confidential

In the latter event, the sealed envelope must either be delivered to the CFO, personally or by being left in his/her specifically designated mail receptacle at the offices of the Company, or mailed to the CFO at the above address.

- B. Complaints or information concerning accounting or auditing issues, or concerning violation of this Code and that are intended for the Chairman of the Audit Committee, are to be directed, in writing, to the attention of the Chairman of the Audit Committee, either: (i) electronically through the designated “Whistleblower complaints and information submission” page of the Company’s intranet site; or (ii) by being enclosed in a sealed envelope, addressed exactly as follows:

The Chairman of the Audit Committee  
 of the Board of Directors of Orbotech Ltd.  
 C/- The Corporate Secretary,  
 Orbotech Ltd.  
 P.O. Box 215, Yavne 8110101,  
 Israel

Strictly Private and Confidential

In the latter event, the sealed envelope must either be delivered to the Corporate Secretary of the Company, personally or by being left in his/her specifically designated mail receptacle at the offices of the Company, or mailed to the Corporate Secretary at the above address.

#### **X. Other Policies and Procedures**

This Code shall be the only code of ethics adopted by the Company for purposes of Section 406 of the United States Sarbanes-Oxley Act of 2002. The Company maintains additional policies and guidelines that may provide further guidance on matters in the Code or address conduct not covered by the Code. Examples of such policies include the Insider Trading Policy and the Anti-Bribery Policy. This Code does not supersede such policies or act as a substitute for reviewing and complying with each such policy. Any questions concerning the manner in which this Code should be interpreted or applied, including as it relates to the policies and guidelines referenced above, should be addressed to the applicable Code of Ethics Contact Person. A director, officer or employee who is uncertain as to whether or not a situation violates this Code should discuss it with the applicable Code of Ethics Contact Person to prevent possible misunderstandings and embarrassment at a later date.

**XI. Waiver**

From time to time, the Company may waive some provisions of this Code. Any waiver of this Code in respect of Directors or Executive Officers may be made only by the Board and must be disclosed as required by the SEC and/or Nasdaq rules. Any waiver in respect of other employees may be made only by the CFO. In determining whether to waive any of the provisions of this Code, the Board or the CFO, as the case may be, will consider whether the proposed waiver: (i) is prohibited by this Code; (ii) is consistent with ethical and honest conduct; and (iii) will result in a conflict of interests.