

ACS-TECH80 LTD.

CODE OF ETHICS

FOR DIRECTORS, OFFICERS AND EMPLOYEES

OBJECTIVE

We expect honest, courteous and proper business behavior from all of our directors, officers and employees in the conduct of their work and business dealings. To achieve this objective, everyone must act ethically, honestly, with integrity and sound judgment.

Adherence to this policy is essential to creating and sustaining our central corporate culture.

We conduct our affairs in accordance with the applicable laws and regulations in the countries in which we do business. While business customs and laws may vary from place to place, we will not compromise our ethical beliefs.

This Code of Ethics is intended to promote:

- Achievement of the company stated objectives, while using a system for ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- Our ability to provide full, fair, accurate, timely and understandable disclosure in reports and documents that we file with or submit to the U.S. Securities and Exchange Commission and our other public communications;
- Our compliance with applicable governmental laws, rules and regulations in all places in which we conduct business;
- Internal reporting of violations of this Code of Ethics to enable prompt handling, rectifying and preventing repetition of such violations;
- Accountability for adherence to this Code of Ethics.

INTERNAL REPORTING OF VIOLATIONS

Ms Dorit Ringelstein, (VP of Finance) has been designated to serve as the Company Compliance Officer. She may be reached at e-mail: doritr@acs-tech80.co.il; Phone: 972-4-6546440; Fax: 972-4-6546443; mailing address: POB 5668, Migdal Ha'emek 10500, Israel.. The Corporate Compliance Officer has been authorized to oversee all monitoring and self-evaluation programs relating to our legal and regulatory obligations to ensure consistent application and interpretation of our compliance policies, including this Code of Ethics.

If you discover or suspect misconduct, you should report it immediately to your supervisor. If you believe that your supervisor has not taken appropriate action after you have made the report, or if you suspect that your supervisor cannot appropriately address it, you may make your report to the Company Compliance Officer by sending an anonymous note with all relevant documentation to the Company Compliance Officer's address above. You will not be penalized or suffer any retaliation due to making such a report, unless you have made a knowingly false report. All contacts with the Company Compliance Officer are confidential, and may, if you wish, be made anonymously.

If for any reason you feel that the Company Compliance Officer has not taken appropriate action after you have made your report, or if you suspect that the Company Compliance Officer is not the appropriate address for your report, you may make your report to Mr. Shmuel Olek, the Chairman of the Company's Audit Committee.

We are prohibited by law from discharging, demoting, suspending, threatening, harassing or in any other manner discriminating against any employee in the terms and conditions of such employee's employment because the employee acted in a manner which is designed to expose or assist in investigations of U.S. federal fraud violations, violations of any SEC rule or regulation or of any other federal law relating to fraud against shareholders, or because the employee testified, participated in or otherwise assisted in a proceeding relating to alleged violations of such laws.

ETHICS

Each of our directors, officers and employees, around the world, must act with uncompromising honesty and integrity heightened self-awareness and prudence. We require that everyone in our corporation adhere to a high standard of ethics, regardless of local custom.

As in personal ethics, business ethics requires that each of us:

- Be honest and ethical in dealings with colleagues, customers, vendors and all others.
- Act in good faith, with competence and due care without misrepresenting material facts or allowing independent judgment to be compromised.
- Respect the confidentiality of information acquired in the course of work.
- Promote ethical and honest behavior among colleagues.
- Respect the rights of colleagues and other employees. We will not tolerate discrimination, libel, slander or harassment. Equal opportunity must be given to every person, regardless of age, race, sex, sexual preference, color, creed, religion, national origin, marital status, handicap or disability.
- Alert your supervisor or the designated Corporate Compliance Officer in any event that you know of, or reasonably believe there is, a violation of applicable laws, this Code of Ethics or our related policies and procedures. You will never be penalized for reporting your discoveries or suspicions.

In connection with these general statements, we provide below information about particular activities that frequently if not inherently involve ethical concerns. Violation of the standards set out in this Code of Ethics will result in corrective action, and could result in dismissal.

CONFLICTS OF INTEREST

You may not exploit your position for personal gain.

You must avoid engaging in any personal activity, investment or association, which could appear to impinge on your exercising proper, independent business judgment concerning our corporate interests.

Without trying to provide an exhaustive list, we note the following examples of situations in which there is likely to be a conflict of interest:

- Causing us to engage in business transactions with you, your relatives or friends, or any entity controlled by, or under common control with such persons;
- Using nonpublic information about us, any customer or vendor for your, your relatives' or friends' personal gain, including securities transactions based on such information;
- Having more than a de minimis financial interest in any of our customers, vendors or competitors;
- Receiving a loan or guarantee of obligations from us or any other person or entity as a result of your position.

GIFTS AND BRIBES

Gifts and bribes are proffered in order to gain favorable treatment. Any gift provided to you should not place you under any obligation toward any other person or entity.

You should avoid being in an embarrassing position of public disclosure regarding inappropriate gifts, and therefore should obtain prior approval from your supervisor or the Corporate Compliance Officer with respect to any other than modest kind of gift.

You must always obey government laws and regulations regarding prohibitions on the receipt of gratuities by public officials. This often extends to travel and entertainment. Under no circumstances will we tolerate the payment or receipt by any of our directors, officers or employees of bribes or kickbacks. The Company and its officers may be liable under U.S. law or Israeli law for violations of this policy.

IMPROPER USE OR THEFT OF PROPERTY

Our property includes confidential and proprietary information, software, computers, machinery, equipment and office supplies. You must safeguard our property from theft or loss. You should use reasonable precautions to prevent unauthorized use of our property which is under your control. By taking reasonably prudent steps to protect our property you can have a positive impact on our profitability, reputation and success. You may not use our computers or telecommunications systems for non-business purposes. You may not use our property (including official stationery) for personal use.

FALSIFYING RECORDS

Any mistakes discovered should be immediately and fully disclosed and corrective action should be taken. Falsification of any records is absolutely forbidden.

CONFIDENTIALITY

All our, our customers' and vendors' nonpublic information is confidential. As a director, officer or employee, you are trusted with such confidential information. You may only use such confidential information for the business purpose intended. You may not share confidential information with anyone outside the company, including family and friends, or with other employees who do not need the information to carry out their duties. You may be required to sign a specific confidentiality agreement in the course of your service. You remain under an obligation to keep all information confidential even after your service terminates.

The following is a non-exclusive list of confidential information:

- Trade secrets, which include any business or technical information, such as formula, program, method, technique, compilation or information that is valuable because it is not generally known.
- All rights to any invention or process developed by a person while in our service, or by a person using our facilities or trade secret information, resulting from any work for us, or relating to our business, is considered to be "work-for-hire" under the copyright laws of Israel and the United States and shall solely and exclusively belong to us, free of charge.
- Proprietary information such as customer lists and customers' and vendors' confidential information.

You may not publish or make public statements for publication in the media involving us, or our confidential information without prior written approval from senior management.

INSIDER TRADING

It is both unethical and illegal to buy, sell, trade or otherwise participate in transactions involving our ordinary shares or other securities while in possession of material information concerning the company that has not been released to the general public, but which when released may have an impact on the market price of our ordinary shares or other securities ("inside information"). It is also unethical and illegal to buy, sell, trade or otherwise participate in transactions involving the common stock or other security of any other company while in possession of similar non-public material information concerning such company. Persons who give such undisclosed, inside information to others may be as liable to civil and criminal penalties as the person who trades in securities based on such information. Any questions concerning the propriety of participating in a securities transaction involving our shares or the stock or other security of another company should be directed to the Company Compliance Officer.

The Company has adopted a policy forbidding trading in Company securities during certain periods intended to prevent insider trading. A copy is available from Company Compliance Officer.

OTHER BUSINESS RELATIONSHIPS

Before agreeing to act as a director, officer, consultant, or advisor for any other business organization, you should notify your immediate supervisor.

Directors and officers should disclose all new directorships or potential directorships to the Chairman of the Board in order to avoid any conflicts of interest and to maintain independence.

All the employees are prohibited by contract from holding additional outside employment. You should notify your immediate supervisor if you are considering additional outside employment, and you should not accept such employment without first obtaining permission from the Company.

You must disclose prior to or at their time of hire the existence of any employment agreement, non-compete or non-solicitation agreement, confidentiality agreement or similar agreement with a former employer that in any way restricts or prohibits or may restrict or prohibit the performance of any duties or responsibilities of your position with us. Copies of such agreements should be provided to Human Resources to permit evaluation of the agreement in light of your position. You may not, in any event use any trade secrets, proprietary information or other similar property, acquired in the course of your employment with another employer, in the performance of his or her duties for or on behalf of us.

POLITICAL AND CHARITABLE CONTRIBUTIONS AND ACTIVITIES

You may engage in political, civic, educational and charitable activities on your own time, and may make contributions to such organizations from your own resources. We encourage such activities as long as they do not interfere with the performance of your duties. Before agreeing to participate in any such activities, you should inform your immediate supervisor.

RESTRICTIVE TRADE PRACTICES AND FAIR DEALING

We are obliged to comply with all applicable antitrust and restrictive trade practices laws. These laws require us to compete fairly and honestly and prohibit us from reducing or restraining competition. In order for us to comply, we require that you endeavor to deal fairly with our customers, vendors and competitors. Additionally, no one should take advantage of another through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practices. If you are uncertain whether a contemplated action raises restrictive trade practices issues, you should refer the issue to the Company Compliance Officer.

FULL, FAIR, ACCURATE, TIMELY AND UNDERSTANDABLE DISCLOSURE

Your compliance with this Code of Ethics will allow us to fulfill our legal obligation to give full, fair, accurate, timely and understandable disclosure in the reports and documents we file with the U.S. Securities and Exchange Commission and other US and Israeli government agencies. When, for example, you report ethical violations, request permission to conduct activities that may raise questions of an ethical nature or inquire about the legality of a particular business practice, you allow us to be fully aware of the issues being dealt with at all levels and in all our affiliates and give us an opportunity to give proper expression to these events in our reports and disclosure documents.

COMPLIANCE WITH APPLICABLE GOVERNMENTAL LAWS, RULES AND REGULATIONS

Compliance by all of us with this Code of Ethics will allow us to perform in every country where we do business in accordance with local laws, rules and regulations, while also ensuring consistency in implementation of our policies to be in conformity with the laws to which we are subject in Israel and the United States.

ACCOUNTABILITY FOR ADHERENCE

Each of us is responsible for implementation of this Code of Ethics. If ever you have any doubt about the integrity or ethical nature of any activity or action, you should consider:

- Whether the action will fully comply with the law and with our corporate policies;
- Whether the action contains the appearance of impropriety.

If you feel any discomfort with the answers to these considerations, you should consult with your supervisor or follow the steps described above for reporting a violation of this Code of Ethics to the Company Compliance Officer.

Anyone who ignores or violates our ethics standards, and any superior who penalizes a subordinate for trying to follow them, will be subject to corrective action, including immediate dismissal.

All directors and officers are obligated to review this Code of Ethics each time a new edition is published. In addition, all managers are responsible for reviewing this Code of Ethics with their subordinates each time a new edition of the Code of Ethics is published. This Code of Ethics is also available upon request from Mrs. Dorit Ringelstein, e-mail: doritr@acs-tech80.co.il.

Our Human Resources department is directed to make all our directors, officers and employees aware of this Code of Ethics and to obtain from them, at least once per year, as part of the annual review, a confirmation that such person has read and understands the Code of Ethics and agrees to comply with it. The Code of Ethics will be provided to all new employees and officers at the time of employment and reissued to existing employees and officers from time to time.

WAIVERS

This Code of Ethics is applicable to all of our and our subsidiaries' directors, officers and employees at all times. While standards included in this Code of Ethics are subject to each individual's judgment regarding the extent they are feasible in particular situations, failure to achieve such standards will not give rise to a need for a waiver of further approval. In general, there shall be no waivers constituting a material departure from any mandatory conduct required by this Code of Ethics.

However, on the rare occasion that a waiver is necessary, it will be considered on a case-by-case basis,

- For employees, by the Human Resources Department with the advice of the Company Compliance Officer;
- For directors and executive officers, by the Board of Directors or a designated committee of the Board of Directors, which will ascertain whether it is appropriate to grant such a waiver and the terms and conditions applicable to such waiver if granted.

Waivers granted to directors and executive officers, and the reasons for such waiver as well as any implicit waivers will be promptly disclosed as required by law by a filing of a report with the SEC. Any substantive change in this Code of Ethics as applies to senior financial officers will also be promptly disclosed to our shareholders.