

Arad Ltd's Environmental Policy

Arad-Dalia specializes in the development, production and marketing of water meters in a broad variety of types and diameters, electronic reading collection and processing systems for use by municipal, agricultural and industrial systems, and water metering devices for use in automatic irrigation system, hydraulically or electrically controlled, designed for both the local and the international markets.

Company products contribute greatly to reduced water consumption and to improved control of the national water supply network.

Arad-Dalia aspires to minimize any adverse environmental effects as may result from its operation. To this end, it relies on an environmental management system as required under ISO 14001.

Company management and personnel are committed to the continual protection and improvement of the plant's environment without compromising their high standards of performance.

The Arad-Dalia environmental policy aims to:

- o Secure maximum awareness by all plant employees to environmental concerns;
- o Initiate actions to explore the environmental effects of plant operations;
- o Pursue and comply with all laws, rules and regulations as applicable to environmental protection;
- o Increase suppliers' environmental awareness, control suppliers' environmental performance and work jointly with suppliers to adopt and pursue this policy.

To reduce the environmental consequences of its operations, Arad-Dalia devotes all resources and measures as required to minimize any environmental damage as may result from its pursuits directly or indirectly (pollutant emissions to the atmosphere, waste water, ground pollution, solid and toxic waste, and prevention of environmental pollution).

Company management communicates its environmental policy to all of its customers and suppliers.

This policy is available for public review.

Arad Ltd President

Nitzan Cohen

VP of Operation and QES

Ziv Hillelli