

WEARABLE DEVICES LTD.
Code of Business Ethics

Adopted on September 2022

1. Introduction

Ethics are important to Wearable Devices Ltd. (together with its subsidiaries, “**Wearable Devices**”) and its directors, officers and employees (each an “**Associate**”). Wearable Devices is committed to the highest ethical standards and to conducting its business with the highest level of integrity.

The Wearable Devices Code of Business Conduct and Ethics (the “**Code**”) has four primary functions:

- To establish and clearly communicate our standards of business conduct, our ethical principles and our expectations;
- To ensure that business policies and practices continue to be aligned with those standards and principles;
- To establish responsibility for monitoring compliance; and
- To set forth the manner in which perceived violations of ethical principles are to be reported.

The Code applies to all Associates.

2. Ethics

Wearable Devices is committed to the ideals of uncompromising honesty and integrity. All Wearable Devices Associates are expected to adhere to the highest standards of ethics; to be honest and ethical in dealing with each other, with shareholders and with customers, vendors and all other third parties.

All Wearable Devices Associates must respect the rights of fellow Associates and third parties. All actions must be free from discrimination, libel, slander or harassment.

Each person must be accorded equal opportunity, regardless of age, race, sex, sexual preference, color, creed, religion, national origin, marital status, veteran’s status, handicap or disability.

Misconduct (any violation of this Code) will be addressed as it is identified with appropriate disciplinary action. Misconduct cannot be excused because it was directed or requested by another.

All Wearable Devices Associates are expected to alert management whenever an unethical, dishonest or illegal act is discovered or suspected, as further provided for in this Code.

The following areas frequently give rise to ethical concerns. A violation of the standards contained in this Code will result in corrective action, including possible dismissal.

Should any Wearable Devices Associate have any questions concerning this Code, please direct them to the Chief Financial Officer of Wearable Devices (the “CFO”).

The CFO may consult outside counsel with respect to any issue relating to this Code.

3. Conflicts of Interest

Conflicts of interest arise whenever actions are based on interests other than those of Wearable Devices.

All Wearable Devices Associates must avoid any personal activity, investment or association that may interfere with using good judgment concerning Wearable Devices’ best interests.

No Wearable Devices Associate may not exploit his or her position or relationship with Wearable Devices for personal gain.

All Wearable Devices Associates should avoid even the appearance of such a conflict. For example, a conflict of interest may arise if:

- An Associate causes Wearable Devices to engage in business transactions with relatives or friends;
- An Associate uses information of Wearable Devices, a customer or supplier for your own personal gain, or the personal gain of relatives or friends;
- An Associate has a financial interest in Wearable Devices’ customers, suppliers or competitors;
- An Associate receives a loan or guarantee of obligations, from Wearable Devices or from a third party, as a result of his or her position at Wearable Devices; or
- An Associate competes, or prepares to compete, with Wearable Devices while still employed by it.

Employees who are involved in or are aware of a transaction involving any of the relationships described above, must report the transaction to the CFO. Directors and officers shall report such transactions to the Chairman of Wearable Devices’ Audit Committee. All transactions between Wearable Devices and any employee or member of the Associate’s immediate family, or any entity in which such employee or a member of his or her immediate family has a significant financial interest, must be approved by the CFO. Transactions described in the previous sentence between Wearable Devices and any director or officer or member of such person’s immediate family, or any entity in which such person or member of his or her immediate family has a significant financial interest, must be approved by the Board of Directors.

There may be other situations in which a conflict of interest may arise. If an Associate has any questions or concerns about any situation, he or she should follow the guidance outlined in the section below on Reporting Ethical Violations.

4. Public Reporting of Financial and Non-financial Information

Wearable Devices is a publicly traded company in the U.S. and thus, subject to the Securities Act of 1933, the Securities Exchange Act of 1934 and numerous other laws, rules and regulations promulgated thereunder (the “**Securities Laws**”). The U.S. Securities and Exchange Commission (the “**SEC**”) requires companies to maintain disclosure controls and procedures designed to ensure that information required by the Securities Laws to be disclosed by publicly held companies is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms. It is, therefore, imperative that all disclosures contained in Wearable Devices’ public filings and other public communications are full, fair, accurate, timely and understandable.

Every Associate who participates in the information gathering process for Wearable Devices’ public filings and other public communications is responsible for the timeliness and accuracy of the information contained therein. Those persons having responsibility for particular areas of Wearable Devices’ periodic reports such as the Form 20-F and the Form 6-K (if any) must report to the Board on an ongoing basis the following matters which come to their attention:

- Deviations from or changes to the current public information available for Wearable Devices; and
- Changes in risks, or new risks, to Wearable Devices as they are identified; and Changes that may affect Wearable Devices financial results;
- Wearable Devices may establish a separate Disclosure Policy, as may be adopted from time to time, that may provide who may communicate information to the press and the financial analyst community.

All Wearable Devices Associates should review Wearable Devices Disclosure Policy and discuss all questions that they may have with the CFO.

Our employees who work in the Financial Department hold an important and elevated role in corporate governance. They are empowered to ensure that shareholder interests are appropriately balanced, protected and preserved. Accordingly, all financial managers are expected to uphold the following standards:

- To provide information that is accurate, complete, objective, relevant, timely and understandable;
- To comply with laws, rules and regulations of federal, state, provincial and local governments, and appropriate regulatory agencies;
- To act in good faith, responsibly, with due care, competence and diligence, without misrepresenting facts or allowing their independent judgment to be subordinated;
- To respect the confidentiality of information acquired in connection with their activities for Wearable Devices, except when authorized or otherwise legally obligated to disclose;
- To share knowledge and to maintain skills needed to perform their jobs;
- To proactively promote ethical behavior as a responsible partner among peers in the workplace and community; and

- To achieve responsible use of and control over all assets and resources employed by or entrusted to them.

Compliance with all governmental laws, rules and regulations applicable to Wearable Devices is mandatory and any violations thereof are considered violations of this Code. Mistakes should never be covered up, but should be immediately fully disclosed and corrected, if possible.

All Wearable Devices Associates that have any questions about their duties with regard to public reporting, should ask the CFO.

5. Marketing, Advertising and Sales

Wearable Devices does not engage in false or misleading claims to its customers, competitors or the public. The following specific policies apply:

- Marketing, advertising and sales materials will be clear and truthful. They will not contain false or exaggerated claims about Wearable Devices products and services;
- Sales information about prices, products and services should be provided to customers and vendors in a way that avoids any appearance that it is being given in an underhanded or preferential way;
- Associates should not make any offers or promises on behalf of Wearable Devices other than in accordance Wearable Devices policies and guidelines; and
- Associates should not encourage or knowingly use third parties, such as agents, consultants or subcontractors, to perform any activities that are prohibited under the Code.

6. Bribes and Kickbacks

A kickback or bribe includes any item intended to improperly obtain favorable treatment. Other than for modest gifts given or received in the normal course of business (e.g., coffee mugs, pens and other logoed promotional materials or business lunches), neither you nor your relatives may give gifts to, or receive gifts from, Wearable Devices customers and suppliers. Other gifts may be given or accepted only with prior approval of the CFO. In no event should you put Wearable Devices or yourself in a position that would be uncomfortable if knowledge of the gift was made public. Dealing with government employees is often different than dealing with private persons. Many governmental bodies strictly prohibit the receipt of any gratuities by their employees, including meals and entertainment. All Wearable Devices associates must be aware of and strictly follow these prohibitions.

7. Conducting Business Outside of the United States and the Foreign Corrupt Practices Act

Wearable Devices has an international presence and thus, certain Associates or other affiliates of Wearable Devices may find it necessary to interact with foreign governments or officials in the furtherance of Wearable Devices' business activities. In any dealings with foreign officials,

candidates, or political parties, Wearable Devices and its Associates, consultants, agents, subsidiaries, distributors, resellers and representatives, must comply with the following policy.

Generally, Wearable Devices policies, the U.S. Foreign Corrupt Practices Act (“FCPA”), and applicable foreign laws prohibit payments to, and business relationships with, government officials (“government officials” may include employees of entities that are state owned, in whole or part, public international organizations and political parties or political candidates) that could be construed as bribes or attempts to influence government behavior.

All Wearable Devices Associates may not give, offer, promise, or authorize direct or indirect payments to foreign officials for the purpose of obtaining or retaining business for Wearable Devices. Payments include money, gifts, or anything of value, and need not actually be delivered, but merely have been intended for a corrupt purpose, to violate the FCPA.

It is therefore illegal and against Wearable Devices policy for any Associate or other Wearable Devices representative to offer or give anything of value that is intended to:

- influence any act or decision of a foreign official in his or her official capacity;
- induce the official violate a lawful duty of his position or to use his influence improperly;
- or
- obtain an improper advantage for Wearable Devices.

Wearable Devices and individuals may face significant civil and criminal punishment in both the United States and in other countries, including imprisonment, for violating the FCPA and local laws.

Acknowledging that in certain foreign localities, payments to local government officials may be customary to expedite processes such as the granting of a business license or similarly routine governmental action, the FCPA contains a narrow exception for such payments.

In every case, prior to making, promising, or offering any such payment, any Associate or affiliate of Wearable Devices must consult with the CFO should uncertainties arise. Furthermore, if it is determined that a payment meets this narrow exception, it must be recorded accurately by the accounting department, as it is an independent violation of the FCPA to mischaracterize any such payment in the financial records. Both the consultation with the CFO and the accounting treatment of the payment must be documented in writing.

8. Quality and Regulatory Compliance

Wearable Devices’ products will be regulated by governmental agencies and other regulatory authorities worldwide. Associates are, to the extent applicable to their job functions, responsible for compliance with worldwide product regulation requirements, including marketing approvals, design control, labeling and advertising controls, and any other product regulations and controls promulgated by government agencies. Associates are responsible for reporting any significant issues to the CFO. Wearable Devices is committed to maintaining an open, constructive and

professional relationship with regulators on matters of regulatory policy, submissions, compliance and product performance.

Wearable Devices will comply with all laws and regulations regarding the safety and efficacy of its products and the standards for its manufacturing plants. Associates are responsible for reporting to the CFO any concerns that relate to a compromise of quality. Associates have the responsibility to express their independent views as to, as well as to raise, any significant quality issues.

As part of Wearable Devices' quality system, Associates are required to maintain reliable documentation. The accuracy of data in our records, including full disclosure, lack of material omission, and integrity of the data is your priority.

Any Associate who alters or falsifies data, destroys or fails to maintain product related data, or omits data from records that are needed to provide full information regarding a commercial or development stage product is acting in violation of this Code.

In case of any questions related to quality and regulatory compliance, you should consult with your supervisor.

9. Improper Use or Theft of Wearable Devices Property

Every Associate must safeguard Wearable Devices property from loss or theft, and may not take such property for personal use. Wearable Devices property includes such items as equipment, machinery, inventory, vehicles, software, computers, office equipment, and supplies as well as confidential information such as non-public personal information about customers, customer lists, and proprietary product information, to name a few.

You must appropriately secure all Wearable Devices property within your control to prevent its unauthorized use.

10. Fair Dealing

No Wearable Devices Associate should take unfair advantage of anyone through manipulation, abuse of privileged information, misrepresentation of facts, or any other unfair-dealing practice.

11. Fair Competition and Antitrust Laws

Wearable Devices must comply with all applicable fair competition and antitrust laws. These laws attempt to ensure that businesses compete fairly and honestly and prohibit conduct seeking to reduce or restrain competition. If you are uncertain whether a contemplated action raises unfair competition or antitrust issues, you should raise the issue with the CFO.

12. Insider Trading

If an Associate has material non-public information relating to Wearable Devices, it is our policy that neither that person (nor any of his/her relatives) may buy or sell any Wearable Devices

securities or engage in any other action to take advantage of, or pass on to others, that information. This policy also applies to information relating to any other company, including our customers, partners or suppliers, obtained in the course of employment. Officers, directors and employees should carefully review and comply with Wearable Devices' separate Insider Trading Policy, if and when such policy is adopted. Questions regarding insider trading should be addressed to the CFO.

13. Waivers and Amendments of the Code

Any waiver of any provision of this Code for any of our directors or executive officers, or any amendment of this Code, must be approved in writing by our Audit Committee (or Board of Directors is an Audit Committee has not been formed) and must be disclosed to shareholders and to others, along with the reasons for such waiver, as required by applicable laws and regulations in the manner or manners required thereby. Any waiver of any provision of this Code with respect any other Associate must be approved in writing by our CFO. Waivers will be granted only as permitted by law and in extraordinary circumstances.

14. Reporting Ethical Violations

Your conduct can reinforce an ethical atmosphere and provide influence on the conduct of fellow Associates. Associates are empowered by the Code to act in situations where they have the authority or feel comfortable enough to stop unethical behavior.

If the unethical behavior is prevented by the actions taken by an Associate of Wearable Devices, then no report is necessary. However, in case that a Wearable Devices Associate was aware of any violations of this Code and feels powerless to stop them, he or she must report them to the CFO, his or her direct supervisor or the Chief Executive Officer of Wearable Devices.

If an Associate of Wearable Devices is still concerned after speaking with Wearable Devices officers or feels uncomfortable speaking with them (for whatever reason), he or she may contact the Chairman of Wearable Devices' Audit Committee at goldy@sigmacapital.co.il and/or to the Chairman of Board of Directors at the following address: 2 Ha-Ta'asiya St., Yokne'am Illit, 2069803 Israel.

The addressing can be done anonymously and should include copies of relevant documents.

Wearable Devices' policy prohibits discrimination, harassment and retaliation against any Associate who in good faith provides any information or otherwise assists in any investigation or proceeding regarding any potential violation of this Code.

15. Accountability for Adherence to the Code

The CFO shall report to the Audit Committee on all material issues relating to this Code. The Audit Committee enforces this Code by evaluating all alleged violations of this Code after all of the pertinent information has been gathered and appropriate action will be determined with the involvement of counsel.

If an alleged violation of this Code has been reported to it, the Audit Committee shall determine whether that violation has occurred and, if so, shall determine the disciplinary measures to be taken against any Associate who has violated this Code. The disciplinary measures, which may be invoked at the discretion of the Audit Committee, include, but are not limited to, counseling, oral or written reprimands, warnings, probation or suspension without pay, termination of employment or other relationship with us and restitution.

Wearable Devices is committed to upholding this Code and is supporting all Associates who aid in this endeavor.

Wearable Devices will not tolerate any form of retaliation for reporting suspected violations of this Code.