

## COMPLIANCE CERTIFICATION

I \_\_\_\_\_ (Applicant Name), a duly authorized representative of \_\_\_\_\_ (Applicant employing company) ("Certifying Entity"), do hereby certify for and on behalf of such company, that neither I nor to my knowledge any other person, including but not limited to, every officer, director, stockholder, employee, representative and agent of Certifying Entity has improperly made, offered to make, or agreed to make any loan, gift, donation or payment, or transfer of any other thing of value directly or indirectly, whether in cash or in kind, to or for the benefit of any entities, persons or class of persons listed below ("government officials") in connection with any business activity of Israel Aerospace Industries Ltd. ("IAI"). I further certify that the Certifying Entity has taken no action in violation of applicable anti-corruption laws.

For purposes of this certification, "government officials" include:

1. any employee or officer of a government of a foreign country(i.e., a country other than Israel), including any federal, regional or local department, agency, or local department, agency, or enterprise owned or controlled by the foreign government,
2. any official of a political party,
3. any official or employee of a public international organization,
4. any person acting in an official capacity for, or on behalf of, such entities; and
5. any candidate for political office.

I hereby confirm that neither I nor anyone else at the Certifying Party company is a government official.

I hereby confirm that should I learn of any of the prohibited activities described above, I will immediately advise IAI.

I hereby confirm that I read the above text, understand it fully, was given the opportunity to discuss the text with my lawyer (which I may or may not have exercised), and am signing this document voluntarily without any duress.

I am fully aware and agree that signing this form shall not impose an obligation on IAI to sign an agreement with me prior to the successful completion of IAI's internal inspection and evaluation process.

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

### Authentication of Signature

I the undersigned, \_\_\_\_\_, Advocate/Notary, License no. \_\_\_\_\_, hereby certify that on \_\_\_\_\_ appeared before me Mr./Mrs. \_\_\_\_\_, whose identity was proved to me by identity document \_\_\_\_\_ no. \_\_\_\_\_ issued at \_\_\_\_\_ by \_\_\_\_\_ and signed this document.

In witness whereof, I hereby authenticate the signature of Mr./Mrs. \_\_\_\_\_ by my own signature and stamp/seal.

**Signature:** \_\_\_\_\_

**Stamp/Seal:** \_\_\_\_\_

**or**

I the undersigned, \_\_\_\_\_, IAI representative authorized to authenticate the signature of Mr./Mrs. \_\_\_\_\_ in accordance with IAI's Compliance Program, hereby certify that on \_\_\_\_\_ appeared before me Mr./Mrs. \_\_\_\_\_, who I personally know and identify, and signed this document.

**Title:** \_\_\_\_\_ **Signature:** \_\_\_\_\_ **IAI Employee ID No:** \_\_\_\_\_

## Representations

**Company:** \_\_\_\_\_ **Mr./Mrs.:** \_\_\_\_\_ **(Responsible Party)**

**Territory:** \_\_\_\_\_ **Customer/s:** \_\_\_\_\_

**Supplier/s  
(if applicable):** \_\_\_\_\_

**WHEREAS**, Israel Aerospace Industries Ltd. ("IAI") is considering engaging the Company as a marketing consultant; and

**WHEREAS**, in order to ensure compliance with applicable laws relating to anti-corruption and anti-bribery, including the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, IAI requires prospective marketing consultants to review and sign these Representations and Undertakings.

1. **"Representations"**: In connection with the proposed engagement by IAI of the Company, the Company and Responsible Party hereby represent and warrant to IAI that:
  - a. Neither of them has ever been convicted of, or pleaded guilty to, any crime or offense involving fraud, corruption or moral turpitude;
  - b. Neither of them is currently listed by any governmental agency as debarred or suspended, or as proposed for debarment or suspension;
  - c. Neither of them nor the shareholders of the Company are a representative, officer or employee of any Customer or of any governmental entity, political party or armed forces in the Territory; and
  - d. The Responsible Party does not have a relative who works at IAI (if s/he does- please add details on a separate page: name, title and relations' nature).
2. The Company and the Responsible Party hereby undertake to comply with all applicable legal and regulatory requirements related to the fulfilling of the Company's proposed engagement by IAI, including all anti-corruption laws, treaties and security regulations applicable in the Territory and of the Government of Israel as described hereto;
3. The Company and the Responsible Party hereby undertake that in connection with IAI's engagement of the Company, it will not make, promise or offer to make any payment or transfer anything of value, directly or indirectly, to: (1) any employee or officer of any government in the Territory or of any enterprise owned or controlled by any such government, any official of a political party in the Territory, and person acting in an official capacity for, or on behalf of, such entities, or any candidate for political office, or (ii) any political party.
4. The Company and the Responsible Party hereby further represent, warrant and undertake that neither of them, directly or indirectly, has received or will receive any compensation, payment or benefit from any Customer or Supplier or from any of IAI's competitors concerning the issues which are the subject the Company's engagement by IAI.
5. The Company and the Responsible Party are fully aware that the fulfillment of this form does not impose an obligation on IAI to sign an agreement with either one or both of them prior to the execution of an Agreement between the Parties.

6. The Company and the Responsible Party hereby certify that they have read the above text, understand it fully, were given the opportunity to discuss the text with their lawyer (which they may or may have not exercised), and are signing this document voluntarily without any duress.
7. The Company and the Responsible Party are fully aware and agree that signing this form shall not impose an obligation on IAI to sign an agreement with me prior to the successful completion of IAI's internal inspection and evaluation process.

<b>Company Signature and Seal</b>	<b>Responsible Party's Signature</b>	<b>Date</b>
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**Authentication of Signature**

I the undersigned, \_\_\_\_\_, Advocate/Notary, License No. \_\_\_\_\_, hereby certify that on \_\_\_\_\_ appeared before me Mr./Mrs. \_\_\_\_\_, whose identity was proved to me by identity document No. \_\_\_ issued at \_\_\_\_\_ by \_\_\_\_\_ and signed this document.

In witness whereof, I hereby authenticate the signature of Mr./Mrs. \_\_\_\_\_ by my own signature and stamp/seal.

**Signature:** \_\_\_\_\_ **Stamp/Seal:** \_\_\_\_\_

**or**

I the undersigned, \_\_\_\_\_, IAI representative authorized to authenticate the signature of Mr./Mrs. \_\_\_\_\_ in accordance with IAI's Compliance Program, hereby certify that on \_\_\_\_\_ appeared before me Mr./Mrs. \_\_\_\_\_, who I personally know and identify, and signed this document.

**Title:** \_\_\_\_\_ **Signature:** \_\_\_\_\_ **IAI Employee ID No:** \_\_\_\_\_

## SUMMARY OF ANTI-CORRUPTION LAWS APPLICABLE IN ISRAEL

### a. **Organization for Economic Cooperation and Development ("OECD"):**

- (1) Israel joined the OECD in May 2009.
- (2) The OECD adopted a Convention on Combating Bribery of Foreign Public Officials in International Business Transactions in 1997, effective 1999. It became law in Israel with its admission to the OECD.

### b. **Israel Penal Law:**

- (1) In conjunction with Israel's admission to the OECD, Israel amended its Penal Law- 1977 by adding Section New Section 291(a). The following is a translation of said Section:

#### **"Bribing of Foreign Public Officials"**

- (a) Anyone who bribes an official of a foreign nation for a purpose connected to his job in order to obtain, secure or promote business activity or advantage connected to business activity is subject to the provisions of Section 291 relating to bribery [of Israeli officials].
- (b) An indictment for a crime under this section shall not be issued without the approval of the Attorney General.
- (c) In this section:

"Foreign nation" - includes each governmental unit of a foreign nation, including a national, regional or municipal unit".

Official of a foreign nation" - each of the following:

- (i) An employee of a foreign nation, and any public official or person functioning in a public role on behalf of a foreign nation, including an official or functionary of a legislative body, executive branch or judiciary of a foreign nation, whether elected, appointed or nominated;
- (ii) A public official or public functionary of a public body established by law of a foreign nation or by an entity in direct or indirect control of a foreign nation;
- (iii) An employee of an international public organization, and any public official or person functioning in a public role on behalf of such an organization. In this regard, "international public organization" - an organization established by two or more nations or by organizations created by two or more nations".

- (2) The Penal Law was amended in February 2010 to impose the following maximum penalties:

- (a) Seven years' imprisonment
- (b) A fine equal to the greater of NIS 1,100,000 against an individual or NIS 2,200,000 against an entity; or up to four times the value of the benefit obtained or intended to be obtained by the crime.

- (3) **A False Particular in a Document of the Body Corporate.**  
 If a founder, manager, member or officer of a body corporate enters or causes to be entered a false particular in a document of the body corporate with the intent to deceive, or if he refrains from entering in it any particular which he should have entered with the intent to deceive, then he is liable to five years' imprisonment; for purposes of this section ..., "body corporate" includes a body corporate about to be established. (Section 423 of the Penal Law)
- (4) It should be noted that criminal intent and as a result criminal liability may be established both with regard the corporate and a person in the course of the performance of his function in the corporate (Section 23 Penal Law) according to the doctrines of:
- (i) **"Eyes Wide Shut"** - if a person suspected the nature of his conduct or the possibility that the said circumstances would be caused, then he shall be deemed to have been aware of them, if he failed to clarify the matter;(Section 20(c)(1) Penal Law)
  - (ii) **Perpetrator** - Participants in the commission of an offense, who perform acts for its commission, are joint perpetrators, and it is immaterial whether all acts were performed jointly, or some were performed by one person and some by another (Section 29(b) Penal Law)
  - (iii) **Acts of an organ**- acts and intentions of an organ shall be the acts and intentions of the company (Section 47 the Company Law - 1999).

c. **Israel Prohibition On Money Laundering Law-2000**

- (1) Bribery offenses under the Penal Law are part of the definition of an offense under the Prohibition on Money Laundering Law. Both the Corporation and any of its employees can be prosecuted according to Israel Penal Law.
- (2) According to the Money Laundering Law (Section 3(a) A person performing a property transaction provided in paragraphs (1) to (3) hereunder, (in this Law referred to as "prohibited property"), with the object of concealing or disguising its source, the identity of the owners of the rights, the location, movement or disposition with respect to such property, shall be liable to ten years' imprisonment or a fine twenty times greater than the fine specified in section 61(a)(4) of the Penal Law -
- (1) property originating directly or indirectly in an offense;
  - (2) property used to commit an offense;
  - (3) property enabling the commission of an offense

d. **Israel Income Tax Ordinance- [new version] -1961**

Fraud- If a person willfully commits one of the offenses specified below with the intent to evade tax or to assist another person to evade tax, then he shall be liable to seven years' imprisonment or to the fine said in section 61(a)(4) of the Penal Law and double the amount of income which he concealed, intended to conceal or helped to conceal, or to both penalties; and these are the offenses:

- (1) he omitted from a return made under the Ordinance any income which must be included in the return;
- (2) he made a false statement or entry in a return under the Ordinance;

(3) he gave a false answer, verbal or written, to a question asked or to information requested of him in under the Ordinance;

(4) he prepared or maintained or allowed another to prepare or to maintain false account books or other false records, or he falsified or allowed falsification of account books or records;

(5) he made use of any fraud, artifice or contrivance or allowed use of them;

(6) he presented a false document to the person who paid the income, in order to prevent or reduce the deduction of tax at the source. a person who intentionally evading tax or helping another person avoid tax shall be shall liable for seven years' imprisonment or fine as stated of 226, 000 NIS (specified in section 61 (a)(4) of the Penal Law) and twice the amount of income that he concealed, intended to conceal or helped to conceal or both (Section 220);

e. **The Securities Law-1968**

Fraud in connection with securities:

(a) A person who [is convicted of doing] one of the following shall be punishable by imprisonment for a term of five years or to a fine in an amount five times the fine prescribed in section 61(a)(4) of the Penal Law, and if a corporation is so convicted – it will be subject to a fine which is twenty-five times the size of the said fine:

(1) Induced or attempted to induce a person to purchase or sell securities by way of a statement, promise or projection - written, oral or otherwise - which the person knew or ought to have known to be false or misleading, or by concealing material facts;

(2) Fraudulently influenced the fluctuation of the price of securities. For the purpose of this paragraph, it will be presumed that anyone acting in The Securities Law, 1968 124 accordance with the provisions of section 56(a) regarding the stabilization of the price of securities has not engaged in an act of fraudulent influencing as stated above.