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		ID: PRO	-39	Rev: B	PAGE: 1 OF 6
Elbit :	Systems	Title: Prof	hibition of Frau	d, Bribery and Co	rruption Policy
	of America	RELEASE DATE:	10/29/2019	EFFECTIVE DATE:	10/29/2019
		CORPORATE P	OLICY		
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Table of Contents

1.	PURPOSE2
2.	APPLICABILITY
3.	DEFINITIONS
4.	BACKGROUND4
5.	REFERENCES 4
6.	POLICY
7.	POLICY EXCEPTIONS
8.	REVISION HISTORY

Questions regarding this policy should be directed to a member of the

ESA Legal Department.

	ID: PRO-39	Rev: B	PAGE: 2 OF 6	
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1. PURPOSE AND SCOPE

The purpose of this Policy is to assist employees, officers, directors, agents and representatives of Elbit Systems of America (including its subsidiaries) ("ESA"), and all of our business partners, in identifying fraud, bribery and corruption related issues and in understanding and complying with applicable ESA standards.

- 1.2 ESA has zero tolerance for fraud, bribery and corruption. In addition to the need to follow the law, our rejection of fraud, bribery and corruption has important business benefits, including maintaining our corporate reputation and retaining the confidence of customers and third parties with whom we do business.
- 1.3 You must not engage in bribery in connection with any of ESA's dealings or activities involving private or public companies, organizations or individuals. Particular care should be taken in dealings or activities involving Government or Public Officials (as defined below).
- 1.4 ESA is active in numerous markets and must comply with the fraud, bribery and corruption related laws of many jurisdictions. These include:
 - United States Foreign Corrupt Practices Act ("FCPA");
 - applicable international conventions, including:
 - the Organization for Economic Co-operation and Development Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (the "OECD Convention");
 - United Nations Convention Against Corruption; and
 - other anti-bribery and corruption laws throughout the world and applicable in the countries in which we do business.
- 1.5 This Policy is meant to provide general principles and guidance with respect to fraud, bribery and corruption related matters. While the FCPA always applies to ESA, in some cases, the laws of the jurisdiction in which we do business might vary from what is included in this Policy. You should therefore also always consult and follow the applicable local laws, but in no event may we apply principles less stringent than those required by the FCPA.

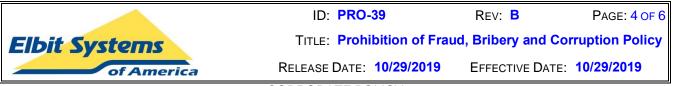
2. APPLICABILITY

All directors, officers, employees and agents or representatives (collectively referred to as "Employees" in this policy) of ESA, at any location worldwide, are required to conduct ESA's business in accordance with this policy.



3. DEFINITIONS

- 3.1 **"Fraud"** includes but is not limited to, dishonest conduct; forgery or alterations of negotiable instruments or ESA documents; embezzlement; misappropriation of any ESA, employee, customer, partner or supplier assets; conversion to personal use of cash, securities, supplies or any other ESA assets; and falsification of ESA records or financial statements.
- 3.2 **"Payments"** include, but are not limited to, gifts of other than nominal value; distributions or cash or cash equivalents; the uncompensated use of ESA services, facilities, or property except as may be authorized by the Elbit Systems of America Chief Financial Officer or General Counsel; and loans, loan guarantees or other extensions of credit (except from lending institutions at prevailing rates).
- 3.3 **Bribery.** In general, bribery is the offering, promising, giving or receiving, "directly or indirectly", of "anything of value" to or from any (i) private or public organization or (ii) individual (including any "Government or Public Official"), to derive an inappropriate "business or other advantage" for ESA. Bribery takes place the moment something of value is offered.
- **3.4 Corruption**. Corruption includes the direct and indirect offer, promise, acceptance or solicitation in the conduct of ESA's business of anything of value or advantage as an inducement for an action which is illegal or a breach of trust.
- **3.5 Directly or Indirectly**. You are prohibited from engaging in bribery directly or indirectly (such as through a third party intermediary). You may not instruct, authorize or allow a third party to make or receive a bribe on your behalf. You may not make a payment or provide a benefit to a third party, or have a third party receive a payment or benefit, if you have reason to believe that all or a portion of the payment or benefit may be used for the purpose of bribery.
- **3.6 Anything of Value**. The thing of value is not subject to any minimum amount or threshold. Anything of value includes not only cash and cash equivalents, but also gifts, entertainment, accommodations, travel expenses, offers of employment and any other benefit of tangible or intangible value.
- **3.7** *Government or Public Official*. References to a Government or Public Official mean an individual who, regardless of position, paid or unpaid, is any of the following:
 - any officer or employee of any government or of a department, agency or instrumentality thereof or any person acting in an official capacity for or on behalf of such government (*e.g.*, an entity hired to review bids on behalf of a government agency or to collect custom duties);
 - any officer or employee of a "public international organization" or any person acting in an official capacity for or on behalf of such public international organization (public international organizations include, for example, the United Nations, the World Bank, the European Commission, etc.);



- a member of a Royal Family effectively holding a public office, whether or not formally appointed;
- a political party, an official of a political party, or a candidate for political office; or
- a family member or close associate with any of the foregoing.
- **3.8 Business or Other Advantage**: Business or other advantage includes obtaining new business or gaining any other advantage in connection with the Company's activities, such as reduction in taxes, tolerance of non-compliance with applicable rules or other favors or preferential treatment.
- **3.9** *Facilitation Payments*: Facilitation or "grease" payments are small payments to a low-level Government or Public Official to expedite or secure performance of a routine, non-discretionary governmental action, such as obtaining utility services or clearing customs.
- **3.10 Supplier**: A supplier means any company or organization or individual that provides goods and services to ESA, including subcontractors, service providers, agents, consultants and representatives.

4. BACKGROUND

NONE

5. REFERENCES

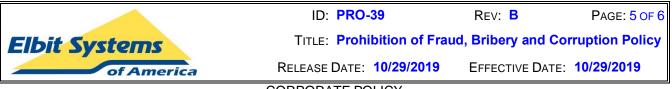
- PRO-04 Conflicts of Interest Policy
- PRO-46 Gifts & Entertainment Policy
- PRO-24 Reporting Violations Policy
- Supplier Code of Conduct

6. POLICY

- 6.1 No Employee shall commit any act of Fraud.
- 6.2 Except in limited circumstances, Employees are prohibited from giving or receiving, in connection with ESA business, (i) gifts, favors or benefits or (ii) meals or entertainment. Please refer to PRO-XX, Gifts & Entertainment Policy, for a further description of such restrictions.
- 6.3 Offering, promising, paying or accepting any corrupt payment, benefit or inducement to any person, whether a Government or Public Official or an employee or agent of a customer, supplier or competitor is strictly prohibited.

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- 6.4 Accurate books and records will be maintained in accordance with internal ESA financial controls and related procedures and policies. No undisclosed or unrecorded fund or asset may be established or maintained for any purpose. No director, officer or employee will participate in falsifying any accounting or other business record. Every director, officer or employee will respond fully and truthfully to any questions from ESA's internal and/or independent auditors.
- 6.5 We will conduct reasonable anti-corruption due diligence in connection with acquisitions, the formation of joint ventures and the engagement of third parties. We will not proceed with any transaction or engagement until any concerns or issues relating to corruption have been fully and satisfactorily addressed.
- 6.6 Report any known or suspected fraud, bribery or corrupt conduct to your supervisor/manager, Ethics, Legal or Security immediately.
- 6.7 All reports will be promptly investigated irrespective of the source (i.e., individual, either employed or in a business relationship with ESA).

We Must Never:

- 6.8 Make facilitation payments for purposes of influencing a discretionary action or to obtain business. Facilitation payments are prohibited under this Policy without the prior written approval of the General Counsel or his/her designee.
- 6.9 Engage in corrupt activities or activities that could reasonably give the appearance of corruption. We attempt to avoid situations creating the appearance of impropriety, including with respect to business entertainment, gifts, conflicts of interest, hiring and donations.
- 6.10 Engage in fraudulent activities.
- 6.11 Engage in bribery.
- 6.12 Allow third parties, including service providers, agents, consultants, brokers or distributors, to engage in bribery or corruption on our behalf.
- 6.13 Do business with other parties who are engaged in fraud, bribery or corruption.
- 6.14 Take retaliatory action towards employees who, in good faith, report suspected violations of the *Code of Business Conduct and Ethics* or this Policy. Allegations made in bad faith however, will not be tolerated.



7. POLICY EXCEPTIONS

We recognize that, in some circumstances, one's personal safety could be at risk. A payment to a Government or Public Official is permissible where there is a credible threat to the life, limb or liberty of the person being asked to make the payment. If such a situation arises, it must be reported to the Company's General Counsel as soon as possible, and must be accurately recorded in the Company's books and records to reflect the amount and purpose of the payment.

8. REVISION HISTORY

Revision	Date	Summary	
В	10/29/2019	Updated to Include title and format change	

This document is for Elbit Systems of America internal use. Obtain approval from Legal <u>before</u> releasing externally. Verify the latest revision on the ESA Portal.