

January 31, 2021



Subject: Rafael Advanced Defense Systems Ltd. ("Rafael") response to the results of Defence
Companies Index on Anti-Corruption and Corporate Transparency (DCI) assessment

To Whom It May Concern,

Rafael is a major Israeli government corporation whose goal is to be a growing, profitable organization, making a unique and significant contribution to the security of the State of Israel, and which researches, develops, manufactures and supplies systems based on the most advanced technology and at the forefront of combat needs, to its customers in Israel and worldwide.

We take pride in Rafael's culture of ethics, integrity and compliance. We are committed to the highest standards of ethical and compliance conduct and we strive to manage all activities with integrity and with responsibility towards our employees, suppliers, customers and other stakeholders.

However, Rafael as a state-owned governmental company, is prevented from sharing certain information and commercial data by law.

Rafael is a member of IFBEC the International Forum on Business Ethical Conduct, an association of companies in the aerospace and defence sector whose members have publicly committed to zero tolerance for corruption and adopted policies and procedures to ensure compliance with this commitment.

The DCI survey itself is not a measure of the effectiveness a company's anti-corruption program, but rather a measure of how much proprietary information a company is able and willing to voluntarily make public.

Unfortunately the current form of the 2021 Index does not accurately reflect the effectiveness of our anti-corruption compliance programs, but instead rewards companies' public communication efforts

Rafael is the leading company in Israel on Anti-Corruption and Corporate Transparency issues and achieved the highly regarded International Standardization (ISO) 37001 -ANTI-BRIBERY MANAGEMENT SYSTEMS two years in a row. (<https://www.iso.org/iso-37001-anti-bribery-management.html>)

This ISO 37001 is granted to companies and organizations who have demonstrated the highest standard of conduct to prevent bribery from infiltrating its operations and activities. Rigorous preventative and detection mechanisms including due diligence, risk assessments, personnel controls, and strong internal policies contribute to ISO's analysis of a company's efforts to combat potential bribery.

Rafael compliance program has been externally monitored for years by the leading international law firm Paul Hastings LLP, which is an active guiding factor for the effective and reliable Rafael compliance program. (<https://www.rafael.co.il/corporate-policies/>)

This rightfully reflects the large effort and resources that Rafael is investing in assuring our Company's full compliance on these matters and to be part of the global fight against bribery and ethics in business.

Best Regards,
Daniel G. Benshabat
Corporate VP, Compliance & Ethics
Rafael

