

InspireMD, Inc.
**Compliance Policy - Global Anti-Corruption (FCPA), Anti-Money
Laundering (AML), Sanctions, and Export Controls**

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| Table of Contents | |
| Policy and Purpose | 2 |
| Applicability | 2 |
| Anti-Corruption/Anti-Bribery Provisions..... | 4 |
| Prohibited Payments..... | 4 |
| Permissible Payments | 4 |
| Payments for Routine Governmental Action..... | 5 |
| Extortion or Threats of Harm..... | 5 |
| Permitted Under Written Law of the Foreign Country..... | 5 |
| Gifts, Entertainment, Travel, and Other Promotional/Marketing Expenses..... | 6 |
| Overview | 6 |
| Authorized Gifts, Entertainment, Travel, and Other Promotional and Marketing Expenses | 6 |
| Authorization Process | 7 |
| Donations to Foreign Charities and Civic Organizations..... | 8 |
| FCPA Books and Records Provisions: Internal Controls..... | 8 |
| Agents, Contractors, and Other Company Representatives | 9 |
| Responsibilities of Other Employees Involved in International Matters..... | 10 |
| Money Laundering..... | 10 |
| Export Controls and Sanctions..... | 11 |
| Exhibits | 13 |
| • Exhibit A: Suggested Antibribery Compliance Contract Terms | |
| • Exhibit B: Compliance Officer and Covered Persons | |
| • Exhibit C: Sample Cover Memo to Covered Persons | |

Policy and Purpose

The following material states and explains the policy (the "Policy") of InspireMD, applicable to it and all of its affiliates and Company Representatives (defined below) wherever located (collectively referred to herein as "Company") concerning compliance with applicable anti-corruption and anti-bribery laws to which the Company may be subject, including, but not limited to, the U.S. Foreign Corrupt Practices Act of 1977 as amended (the "FCPA"). The Company is subject to the FCPA because it has listed shares on the NASDAQ stock exchange. The Company also is subject to anti-corruption and anti-bribery laws in each non-U.S. jurisdiction in which it operates. Together, these laws along with the FCPA are referred to herein collectively as the "Anti-Corruption Laws."

Further, this Policy applies to the Company's obligations under the Bank Secrecy Act ("BSA"), 31 USC §§ 5311 et seq., the foundation of America's anti-money laundering ("AML"), AML provisions contained in 18 U.S.C. §§ 1956 and 1957, the Export Administration Regulations (the "EAR"), (15 CFR §§ 700-799) administered by the Bureau of Industry and Security at the Department of Commerce, various economic sanctions measures including those administered by the Office of Foreign Assets Control ("OFAC") of the Department of the Treasury pursuant to various legal authority including the Trading with the Enemy Act, 50 U.S.C. §§ 4301 et. seq. and the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701, et. seq., collectively referred to herein as "Applicable Laws and Regulations."

Keep in mind that this Policy is not intended to be an explanation of all the specific provisions of Applicable Laws and Regulations or an exhaustive list of activities or practices that could affect the Company's reputation and goodwill. In certain situations, this Policy may be more restrictive than the letter of the Applicable Laws and Regulations. This Policy should be read in conjunction with our other policies governing personnel conduct and any questions should be addressed to the Compliance Officer (defined below). In the case of any inconsistency between any other Company policy and this Policy, the provisions of this Policy will govern.

Applicability

1. This Policy applies to all Company employees, contractors, agents, representatives, and any other person acting on behalf of the Company.
2. All employees, contractors, consultants, representatives, and agents (collectively, "Company Representatives") of the Company are expected to act legally and ethically when conducting the Company's business and shall conduct themselves in accordance with all laws and regulations applicable to the Company and them in each jurisdiction in which the Company operates. Regardless of their office location or nationality, the directors, officers, employees, contractors, agents, and representatives of the Company are required to comply with the letter and spirit of both the Applicable Laws and Regulations and this Policy.
3. Therefore, **the Company and Company Representatives are prohibited from, with corrupt intent, making, offering, promising or approving payments, gifts or the giving of anything of value to any "foreign official" or, where and if applicable, to any person, either directly or indirectly through intermediaries or otherwise for the purpose of obtaining or retaining business or securing any other improper advantage.** In addition, the Company is required to maintain books and records that accurately and fairly reflect all transactions and dispositions of assets, and to maintain proper internal accounting controls pursuant to the FCPA.

4. The Chief Financial Officer shall serve as the Company's Compliance Officer (the "Compliance Officer") pursuant to this Policy.
5. Please see the InspireMD Compliance Policy – U.S. Anti-Bribery and Corruption Policy for specific guidance and requirements for dealings within the United States.

Anti-Corruption/Anti-Bribery Provisions

Prohibited Payments

The Anti-Corruption Laws prohibit offering, promising, giving or receiving anything of value for an improper purpose. Specifically, the FCPA prohibits Company Representatives from, with corrupt intent, directly or indirectly making, promising, authorizing, or offering anything of value to a "foreign official" (discussed below) on behalf of the Company to secure an improper advantage, obtain or retain business, or direct business to any other person or entity. The amount involved is not relevant, and all that is needed to violate the Anti-Corruption Laws is the offer, not the giving or the acceptance, of something of value.

The FCPA's anti-bribery prohibitions are broader than it might appear at first glance. The statute uses a very broad definition of the term "foreign official." As used in the FCPA and in this Policy, "foreign official" means:

- An officer, employee, consultant, or any other person acting on behalf of a government or any of its departments, agencies, or instrumentalities;
- An officer, employee, consultant, or any other person acting on behalf of wholly or majority state-owned businesses and enterprises or businesses and enterprises controlled by, but not majority owned by, the government, even if they are not considered public officials under local law;
- An officer, employee, consultant, or any other person acting on behalf of a public international organization (such as the World Bank, the International Finance Corporation, the International Monetary Fund, and the Inter-American Development Bank);
- An officer, employee, consultant, or any other person acting on behalf of a political party; or
- A candidate for political office or any employee or person acting on behalf of such candidate.

The term "foreign official" includes not only elected officials, but also family members of such officials and consultants who hold government positions, employees of companies or other entities, and institutions controlled by foreign governments, political party officials, and others. Under the FCPA, foreign officials are not only high-level government officials, but also middle- and low-level employees, and perhaps even honorary government officials. Any offer or payment to an immediate family member of a foreign official is considered as if such offer of payment were given to the foreign official himself. The fact that a person is not a government official under local law is not controlling for FCPA purposes.

The FCPA prohibits the giving of anything of value to a foreign official, and it is not limited to the payment of money. For example, the phrase "anything of value" also covers the giving of free services, business opportunities, or any other benefit.

The solicitation or attempt to extort any payment or promise inconsistent with this Policy must be reported immediately to the Company's Compliance Officer.

Permissible Payments

The FCPA allows certain "facilitating payments" and payments under duress, payments permitted under the written laws of a jurisdiction, and *bona fide* promotional or marketing expenditures (such as meals,

entertainment, travel, and lodging, in each case, under appropriate conditions) to foreign officials. Such payments and expenditures involving foreign officials shall only be made, authorized, or reimbursed, if at all, as provided below in this Policy.

Payments for Routine Governmental Action

Under very limited circumstances, the FCPA allows certain “facilitating” payments to low-level foreign officials in order to expedite or secure the performance of “routine governmental actions.” A “routine governmental action” is limited to clearly non-discretionary actions ordinarily and commonly performed by a foreign official. However, “facilitating” payments are prohibited under other applicable Anti-Corruption Laws. Therefore, the Company prohibits offering or making any “facilitating” payments.

Extortion or Threats of Harm

Economic extortion, such as a threat to harm, delay or interfere with the Company’s business or the award of a contract, can never justify a payment that would violate this Policy or relevant Anti-Corruption Laws. However, a payment arising from threats of physical violence and a genuine and reasonable concern for one’s personal safety is a payment made under physical duress. While not specifically permitted by Anti-Corruption Laws, many regulators declined to punish such payments.

Payments made under physical duress should be notified to the Company’s Compliance Officer as soon as practicable. Such payments must be properly and accurately accounted for in the Company’s records as indicated in the “FCPA Books and Records Provision – Internal Controls” section below (clearly denoted as “physical duress payment” and not “fees” or “miscellaneous” expenses).

Permitted Under Written Law of the Foreign Country

Although the Anti-Corruption Laws, including the FCPA, may permit payments, gifts, offers or things of value that are lawful under the written laws and regulations of the foreign country, the fact that payments or gifts are “common” and thought by Company Representatives to be widely permitted or authorized by local officials in another country is not sufficient to qualify as “lawful under the written laws or regulations” of that country. Therefore, any payment or offer of anything of value that is sought to be treated as lawful must be lawful under the written laws or regulations of the foreign jurisdiction.

The Company does not favor the making of such payments. The Company’s policy is to authorize and reimburse these payments only when all of the following conditions are met:

- The refusal to make such lawful payment may severely and adversely affect the Company’s ability to do business in a foreign country;
- The payment has been pre-approved in writing by the Compliance Officer;
- The payment is lawful under all applicable Anti-Corruption Laws and regulations;
- Such payment is customary and appropriate in the foreign country;
- The payment specifically is permitted by the written laws of the relevant jurisdiction; and
- Payment is properly and accurately accounted for in the Company’s records as indicated in the “FCPA Books and Records Provision – Internal Controls” section below (clearly denoted as

“permitted payment” and not “fees” or “miscellaneous” expenses).

Gifts, Entertainment, Travel, and Other Promotional/Marketing Expenses

Overview

As noted above, the Anti-Corruption Laws prohibit the payment of “anything of value” to a foreign official. This broad language includes, for example, prohibiting paying, with corrupt intent, for a foreign official’s meals, entertainment, travel, and lodging, or the giving of gifts or other merchandise to a foreign official unless such payments are non-cash, *bona fide* promotional or marketing expenditures of nominal value.

The Anti-Corruption Laws, including the FCPA, allow the Company to incur these “promotional” or “marketing” expenses, provided that a payment or benefit given to the foreign official is a *bona fide* expenditure directly related to either:

- the promotion, demonstration or explanation of the Company’s products and services; or
- the execution or performance of a contract with a foreign government, state-owned company, agency, or instrumentality

Authorized Gifts, Entertainment, Travel, and Other Promotional and Marketing Expenses

The rules below shall apply for the payment or reimbursement of gifts, entertainment, travel or any other promotional or marketing expenses incurred by, or on behalf of, foreign officials. Company Representatives may incur, or authorize the payment or reimbursement of gifts, entertainment, travel and other promotional or marketing expenses in connection with foreign officials only if such payment or reimbursement:

- is directly related to the promotion or explanation of the Company’s products and services or to the performance of a particular contract between the Company and a foreign government, state-owned company, agency or instrumentality;
- is made in good faith, without corrupt intent and clearly not provided for the purpose of inducing a foreign official to misuse his/her official position;
- is a modest and reasonable expense for meals, travel, entertainment, or gifts (including promotional items or Company merchandise) in light of what is customary and usually associated with ethical business practices, including the Company’s relevant policies;
- does not create the appearance of being an improper payment, benefit, or gift under the circumstances;
- its disclosure will not cause embarrassment for the Company, the employee, or the foreign official;
- it is not illegal under the local laws, rules, or regulations of the particular foreign country, and follows the process set forth below; and
- Payment is properly and accurately accounted for in the Company’s records as indicated in the

"FCPA Books and Records Provision – Internal Controls" section below (clearly denoted as "permitted travel and entertainment" and not "fees" or "miscellaneous" expenses).

The following guidelines shall apply to payments or reimbursement of travel and entertainment expenses incurred by foreign officials:

- no offers or gifts of cash or cash equivalents (such as gift cards) to foreign official should be made;
- the Company shall not make direct per diem payments to a recipient—reimbursement of per diem expenses, if any, should be made to the recipient's employer;
- the Company shall not provide a gift to, or provide travel or entertainment expenses for the foreign official's spouse or family member;
- the Company shall not pay the costs of any personal side trip, and shall not fund any other entertainment, side trips or leisure activities of the foreign official, or provide a stipend or spending money;
- to the extent possible, the Company should not select the specific foreign official whose travel would be provided or reimbursed by it, or else should select them based on pre-determined, merit-based criteria;
- payments for airfare, lodging, meals, and local transportation should be made directly to the service provider, and not to the recipient unless payment to the recipient would be made in the normal course of business based on the activity;
- the Company shall not pre-pay or make any general advancement of travel, lodging or entertainment expenses; and
- the length of a trip should be only as long as necessary to educate foreign government official(s) about the Company's products and services and should, if possible, be timed for when the Company has no non-routine business under consideration by the relevant foreign government entity.

Authorization Process

In addition to satisfying all of the above conditions, prior authorization from the Company's Compliance Officer is required for payment or reimbursement of meals, beverages, and entertainment of foreign officials that exceed what is generally considered proper, reasonable, and customary. Generally, meals and beverages with a per-person value of less than One Hundred U.S. Dollars (\$100.00 USD) would be considered reasonable so long as they are not recurring meals. In general, entertainment (attendance to a game, concert or other cultural event) would be considered proper and reasonable if the tickets are of a moderate value, the Company's representative attends the event with the foreign official using the opportunity to promote the Company's products and services, and disclosure to the public does not present the potential for embarrassment for either party. As stated above, payments or expenses related to meals, beverages, and entertainment of foreign officials require prior written authorization of the Company's Compliance Officer.

The gifting of promotional items or merchandise nominal value, not to exceed \$100, may be given to a foreign government official as a courtesy in recognition of services rendered or to promote goodwill. These gifts must be nominal in value and should generally bear the trademark of the Company or one

of its products. Gifting of promotional items or merchandise that does not meet the requirements stated in the previous two sentences requires the prior written approval of the Compliance Officer.

All gifts, entertainment, travel, and other authorized promotional or marketing expenses must be properly documented in accordance with the Company's expense processing policy and must be properly recorded in the Company's books and records as indicated in the "FCPA Books and Records Provisions- Internal Controls" section below.

Donations to Foreign Charities and Civic Organizations

The making of donations to foreign charities or civic organizations requires the prior written approval of the Company's Compliance Officer. Such donations will only be approved after investigation of the proposed recipient entity in a manner similar to that used to investigate prospective business relationships. While the Company believes in contributing to the communities in which it conducts business, the Company will conduct or investigate to ascertain whether the charity or civic organization is *bona fide*. All approved donations must be properly recorded in the Company's books and records as indicated in the "FCPA Books and Records Provisions- Internal Controls" section below.

Company funds and other resources may not be used to make political contributions to candidates for public offices, political parties, or other political organizations.

FCPA Books and Records Provisions: Internal Controls

As required by the FCPA, it is the Company's policy that all books, records, and accounts shall be kept accurately and shall fairly reflect all transactions and dispositions of assets. Legal practices and Generally Accepted Accounting Principles ("GAAP") for accounting and financial reporting shall be followed by all employees, and no undisclosed or unrecorded accounts are to be established for any purpose. False or misleading entries are not to be made in the Company's books and records for any reason.

All payments excepted from the FCPA as well as promotional and marketing expenses involving foreign officials must be accurately recorded in the Company's records to completely reflect the true nature of the transaction. The related accounting entry should show (a) the amount and purpose of the payment; (b) the name and title of the foreign official or person to whom the payment is or was made; and (c) a description of Company products or services being promoted or the relevant contractual provision if the payment was made pursuant to a contract. Payments excepted from the FCPA and authorized promotional or marketing expenses involving foreign officials shall not be commingled with or disguised as regular expenses.

In addition, the Company shall maintain a system of internal accounting controls sufficient to provide reasonable assurances that:

- transactions are executed in accordance with management's general or specific authorization;
- transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP (or any other applicable principles) and maintain accountability for assets;
- access to Company assets is permitted only in accordance with management's general or specific authorization; and
- recorded transactions in corporate assets are compared with the existing assets at reasonable

intervals and appropriate action is taken with respect to any noted differences.

Further, Company internal accounting controls shall (a) require two (2) signatures for disbursements in excess of \$250, unless such disbursement is made in the normal course of business and is typical for the type of reimbursement; and (b) prohibit disbursements in cash or made out to "cash."

These accounting entries and the supporting documentation must be periodically reviewed to identify and correct discrepancies, errors, and omissions, and shall be kept by the Company for at least seven (7) years after the relevant transaction, or longer as required by relevant local law or regulation.

Agents, Contractors, and Other Company Representatives

The Anti-Corruption Laws, including the FCPA, prohibit both direct and indirect payments to foreign officials. Thus, the Company can face FCPA liability based on improper payments made by Company Representatives. It is the Company's policy to conduct its business only by legal and ethical means, and this practice must extend to the activities of all of the Company's Representatives.

Before entering into an agreement with a representative that may act on behalf of the Company with regard to foreign governments, government-owned entities, and other instrumentalities, written assurances that the representative understands and will abide by this Policy and the Anti-Corruption Laws are required. Prior to the Company retaining a representative, the Compliance Officer shall conduct, or cause to be conducted, an appropriate due diligence review to research and document in writing the reputation, background, and past performance of the prospective representative. The Company shall only retain a representative using a written agreement that contains appropriate FCPA-related provisions, including, but not limited to, the following provisions as appropriate in the context of each particular transaction:

- The representative's acknowledgment that it, he, or she understands the provisions of this Policy and agrees to comply with its terms and with the FCPA and any other applicable laws;
- The representative's acknowledgment that the contents of the agreement may be disclosed by the Company to third parties including government agencies;
- The representative's representation and warranty that neither it, nor any of its owners, directors, officers, principals, or key employees are foreign officials - and that it will promptly inform the Company of any changes in that regard;
- Payments by the Company will be made by check made out in the representative's name or by wire transfer to a bank account that is registered in the name of the representative and located in the country in which the services are to be performed;
- Automatic termination without compensation in the event the representative has made, attempted to make, makes, attempts to make, or proposes to make, an improper payment in violation of this Policy;
- The right for the Company to be indemnified by the representative for losses and expenses incurred by virtue of the representative's action that violates this Policy, and a right to claw back any payments made to the representative under the relevant agreement;
- Annual certifications by the representative of its compliance with applicable law and this Policy; and

- The Company shall have the right to audit the representative's compliance with the agreement and this Policy.

Exhibit A to this Policy contains suggested anti-bribery contract language.

When dealing with Company Representatives, Company personnel should understand and appreciate that the prohibition on direct corrupt payments to foreign officials, as discussed above, extends to payments made by Company personnel where such personnel know, or have a reason to know, that the representatives will use any part of such payment for bribes. The "has a reason to know" standard is difficult to define but it is generally construed as a situation where, in this case, a Company employee pays money or provides assets to a representative with a reckless disregard for circumstances that suggest that such money or assets is being used for corrupt purposes. If Company personnel have enough information to believe an FCPA violation will occur or is occurring, they should not ignore the issue, and should report the violation to the Compliance Officer as provided herein.

Responsibilities of Other Employees Involved in International Matters

Money Laundering

Money laundering is the process of making illegally gained proceeds appear legal. Money laundering is typically conducted in three stages: (a) introducing illegally gained funds into a financial system; (b) conducting one or more transactions within the financial system to disguise the audit trail, making it more difficult to identify the initial source of funds, and making the illegally gained funds appear legal and legitimate; and (c) disbursing the funds back to the money launderer under the guise of a legitimate transaction.

The Bank Secrecy Act ("BSA"), 31 USC §§ 5311 et seq., the foundation of America's anti-money laundering ("AML") regime, is designed to help law enforcement officials stop money laundering by requiring banks to record and report the movement of currency and monetary instruments. Although the AML requirements in the BSA do not apply to companies other than financial institutions, all companies operating in the U.S., including the Company, must comply with the AML provisions contained in 18 U.S.C. §§ 1956 and 1957. These laws apply broadly and can potentially result in severe penalties against companies and individuals who knowingly, or with "willful blindness," handle "dirty money" generated by a wide variety of illicit activity. U.S. laws can reach companies that engage directly in the criminal activity that generates the illegal funds, companies that use otherwise untainted funds for some illicit purpose, and even companies unconnected to the original crime that knowingly conduct financial transactions involving tainted funds.

In addition to the AML controls and processes discussed herein, Covered Persons, employees and directors whose roles could expose the company to corruption, export, sanctions and AML-related risk — primarily those involved in finance, sales, legal, and executive decision-making (and as further defined in Exhibit B) should be aware of red flags of potential money laundering. In the event a Covered Person discovered such a red flag, he or she should immediately contact the Compliance Officer. Some common examples of money laundering red flags are:

- Inexplicable third-party payments from sources other than the party owing the money.
- Requests from counterparties for unusually complex deal structures or structures with no apparent business purpose.
- Requests by counterparties that funds be delivered to apparently unconnected accounts.
- Payment of one invoice or group of invoices with multiple instruments.

- News reports or rumors indicating that a counterparty is engaged in criminal or regulatory violations or is under government investigation.

Transactions involving jurisdictions known for substantial money laundering concern by U.S. or international authorities.

Export Controls and Sanctions

Multiple U.S. laws, regulations, and rules: (a) prohibit transactions and trade with certain countries, persons, companies, and organizations; (b) restrict exports and reexports of U.S.-origin items (goods, software, and technology) and, in some instances, services; (c) prevent U.S. companies from transacting with certain businesses, groups, persons, and jurisdictions; and (d) prohibit U.S. companies and their subsidiaries from complying with certain foreign boycotts. These laws, regulations, and rules control what the Company may export from the U.S. and with whom and where the Company may conduct business. The primary U.S. laws, regulations, and rules affecting international transactions by U.S. businesses, including the Company, are:

- The Export Administration Regulations (the “EAR”), (15 CFR §§700-799) administered by the Bureau of Industry and Security at the Department of Commerce. The EAR controls the export and reexport of all U.S.-origin items (goods, software, and technology), including U.S. items incorporated in non-U.S.-origin items. All commercial or dual-use items (such as pharmaceuticals and medical devices) that are physically located in the United States or enter the United States are subject to the EAR.
- Economic sanction and embargo programs administered by the Office of Foreign Assets Control (“OFAC”), Department of the Treasury pursuant to various legal authority including the Trading with the Enemy Act, 50 U.S.C. §§4301 et. seq. and the International Emergency Economic Powers Act, 50 U.S.C. §§1701, et. seq. These programs restrict trade, investment, and financial transactions by the Company with certain countries, persons, businesses and groups. These programs impact where, and with whom, the Company may establish franchise relationships. The Company is prohibited from (a) transacting with any business, person or other organization in any jurisdiction subject to a comprehensive embargo; (b) dealing with persons, businesses or entities on the SDN List and the Consolidated Sanctions List, or anyone 50% or more owned by persons on the SDN List; (c) dealing with any property in which any “blocked” person, business or organization has an interest is blocked if it is in the United States or in the possession or control of the Company, wherever such property is located; and (d) facilitating any transaction that would violate relevant U.S. sanctions were it conducted by a U.S. person/entity or within the United States.. In order to comply with economic sanctions, we use **Refinitiv World-Check** to screen distributors, and we conduct due diligence (which may include consulting external counsel) before engaging in any sales or collection involving **Russia, Belarus**, or other high-risk jurisdictions. The antiboycott regulations contained in the EAR at 15 C.F.R. §760, et. seq., designed to prevent U.S. companies, like the Company, from complying with any foreign embargo that is not consistent with U.S. government policy. Initially focused on preventing U.S. businesses from complying with the Arab League boycott of Israel, these regulations apply to any embargo not approved by the U.S. government.

Every director, officer, employee, agent, and representative of the Company whose duties are likely to lead to involvement in or exposure to any of the areas covered by this Policy is a “Covered Person” and expected to comply with this Policy and to:

- Execute the acknowledgment that shall be provided periodically and may be contained in a broader document. Periodic certifications of compliance with this Policy will be required at least once per year; and
- Complete any necessary training course(s) required by the Company.
 - The Company may require in-person or video conference training based upon various factors such as geographic location or other perceived risk factors. There may be employees for whom the web-based training is sufficient.
 - These parameters shall be set on a continuing basis with the web-based course as a minimum threshold.

As the Company becomes increasingly involved in international business, all employees who are directly or indirectly involved in foreign activities need to be aware of this Policy, the Anti-Corruption Laws, Anti-Money Laundering Law, Export Controls, and Sanctions Requirements, and their provisions. Such employees should also be aware that violations of the Anti-Corruption, Anti-Money Laundering, Export Controls and Sanctions Laws generally are not covered by Directors and Officers Insurance, and individuals cannot be indemnified by the Company for such violations. The Company will not indemnify or otherwise pay any fines or penalties imposed because of violations of this Policy or the Anti-Corruption Laws, Bank Secrecy Act and any applicable Export Control Regulation.

The Company may at times undertake a more detailed review of certain transactions. As part of these reviews, the Company requires all Company personnel to cooperate with it, outside legal counsel, outside auditors, and other similar parties. The Company views failure to cooperate in an internal review as a breach of your obligations to it and will deal with this failure in accordance with relevant Company policy as well as any applicable local laws or regulations.

Recordkeeping Requirements in Cross-Border Transactions

In addition to the anticorruption and FCPA specific books and records and recordkeeping requirements described above, the Company is required to maintain records related to all cross-border activities (including quotes, purchase orders, invoices, shipping documentation, sales or distributor agreements and amendments thereto) for a minimum of five (5) years from the date of export for any export transaction, and ten (10) years for purposes of complying with U.S. economic sanctions administered by OFAC. Sanctions compliance records include the diligence and screening conducted to confirm parties with whom we are dealing do not appear on any applicable sanctions lists.

Responsibilities of the Compliance Officer

All employees are primarily responsible for complying with this Policy and making sure that those who are under their supervision also comply. The Compliance Officer shall be responsible for administering this Policy. In particular, the Compliance Officer shall be responsible for:

- Establishing and maintaining the practices and procedures required to implement this Policy;
- Ensuring that this Policy is provided to all directors, officers, employees, agents, and representatives of the Company;

- Ensuring that training on the substance of this Policy is provided to all directors, officers, employees, agents, and representatives of the Company as appropriate;
- Procuring certifications of compliance from each director, officer, employee, agent, and representative of the Company on, at a minimum, annual basis;
- Ensuring that any investigation required to be conducted under this Policy is properly conducted; and
- Maintaining a centralized file with all records and documentation related to and in connection with compliance with this Policy and the Anti-Corruption Laws, export controls and economic sanctions.

The Company's Compliance Officer is authorized to employ all means and resources required for purposes of administering this Policy and otherwise fulfilling the Company's duties and obligations under this Policy, including the employment of outside consultants and advisors as needed.

Questions and Reporting Possible Violations

If you have questions or problems concerning this Policy, you should contact the Compliance Officer. Additional information about the above discussed regulatory policies can be found as follows:

- FCPA can be found at the website of the U.S. Department of Justice at www.usdoj.gov/criminal/fraud/fcpa.
- Anti-Money Laundering provisions can be found at the website of the U.S. Department of the Treasury at <https://fincen.gov/anti-money-laundering-act-2020>.
- Export provisions can be found at the website of the U.S. Department of Commerce Bureau of Industry and Security (BIS) <https://www.bis.doc.gov/index.php>
- Sanctions provisions can be found at the U.S. Department of the Treasury Office of Foreign Assets Control (OFAC) at <https://ofac.treasury.gov/sanctions-list-service>.

Any violation or suspected violation of this Policy or relevant Anti-Corruption Laws should be immediately reported to the Compliance Officer. **You may remain anonymous when making a report.** The Company will not retaliate against any employee who in good faith reports a suspected or actual violation of the Anti-Corruption Laws or this Policy. The senior management of the Company fully supports employees who decline an opportunity or advantage which would place at risk the Company's ethical principles and reputation as stated in this Policy.

Discipline

Violation of the Anti-Corruption Laws, Anti-Money Laundering, Sanctions, or Export Control, or any other provision included in this Policy will result in discipline by the Company, up to and including termination of employment or any contractual arrangement.

Exhibit A: Suggested Antibribery Compliance Contract Terms

1. Anti-Bribery Compliance. [Entity] covenants and agrees as follows:

1.1 [Entity] shall comply with all applicable anti-bribery and anti-corruption laws and regulations, including the U.S. Foreign Corrupt Practices Act of 1977 as amended and the relevant anti-bribery laws of the jurisdictions in which [Entity] operates, directly or indirectly (collectively, the "Anti-Bribery Laws").

1.2 [Entity] shall ensure that all of its, and all of its affiliates', officers, directors, employees, agents, and any other persons or entities acting on its behalf in connection with this Agreement (collectively, the "Representatives") do so only in compliance with the terms imposed on [Entity] in this Section (the "Anti-Bribery Terms"). [Entity] shall be responsible for the observance and performance by the Representatives of the Anti-Bribery Terms and shall be directly liable to InspireMD for any breach by the Representatives of any of the Anti-Bribery Terms.

1.3 [Entity] shall not receive, make, directly or indirectly, in connection with this Agreement or in connection with any other business transaction related to InspireMD, a payment or gift of, or an offer, promise, or authorization to give money or anything of value to any: (a) Government Official (defined below); (b) person or entity; or (c) other person or entity while knowing or having reason to believe that some portion or all of the payment or thing of value will be offered, given, or promised, directly or indirectly, to a Government Official or another person or entity: for the purpose of: (y) influencing any act or decision of such Government Official or such person or entity in their official capacity, including a decision to do or omit to do any act in violation of their lawful duties or proper performance of functions; or (z) inducing such Government Official or such person or entity to their influence or position with any Government Entity or other person or entity to influence any act or decision; in order to obtain or retain business for, direct business to, or secure an improper advantage for InspireMD or [Entity].

1.4 [Entity] shall not, either in whole or in part, assign or delegate any rights, duties, or obligations under this Agreement to any third party, including any subcontractor, without the express prior written consent of InspireMD. If InspireMD approves the use of a subcontractor, [Entity] shall make such subcontractor's performance subject to the terms and conditions of this Agreement.

1.5 [Entity] shall perform its obligations under this Agreement solely in its personal or private capacity and shall not use the authority, influence, or prestige of any position to: (a) perform the services required herein; or (b) influence a Government Official concerning InspireMD's business.

1.6 [Entity] shall maintain books and records that describe in accurate and reasonable detail all expenditures incurred by it in connection with this Agreement. [Entity] shall maintain such books and records for the duration of the Agreement and shall grant InspireMD the unrestricted right to take reasonable steps to verify [Entity]'s compliance with any Anti-Bribery Terms. InspireMD shall have the right to audit or retain a third party to audit, at its sole discretion and expense, all: (a) the Services performed by [Entity] hereunder; (b) invoices and requests for expense reimbursement submitted to InspireMD by [Entity]; and (c) payments made to or benefits conferred by [Entity] or third parties in the course of [Entity]'s performance of Services hereunder this Agreement. [Entity] shall fully cooperate in any audit that may be conducted.

1.7 Expenses incurred by InspireMD in conducting the audit shall initially be borne by InspireMD. However, if such audit reveals a failure by [Entity] to maintain complete and accurate books and records or a breach of the Agreement, then [Entity] shall bear the reasonable expense of the audit, if so requested by InspireMD.

1.8 [Entity] shall:

- (a) abide by InspireMD's anti-bribery policy;
- (b) have and maintain throughout the term of this Agreement adequate policies, procedures, and controls to ensure compliance with the Anti-Bribery Terms;
- (c) participate in anti-bribery compliance training, if so requested by InspireMD;
- (d) immediately notify InspireMD in writing if subsequent developments cause the relevant anti-bribery statements in this Agreement to be inaccurate or incomplete;
- (e) immediately report to InspireMD any request or demand for any undue or suspicious payment or other advantage of any kind received by [Entity] in connection with the performance of this Agreement;
- (f) immediately notify InspireMD in writing if [Entity] or any of its Representatives (i) employs any Government Official or a Close Family Member (each as defined below) of any Government Official; or (ii) forms a personal, business, or other relationship or association with any Government Official or Close Family Member of any Government Official who may have responsibility for or oversight of any business activities of InspireMD or [Entity]; and
- (g) when requested by InspireMD from time to time, provide a certification in form and substance satisfactory to InspireMD, signed by a legal representative of [Entity], certifying that [Entity] is, and to its knowledge all of its Representatives are, in compliance with this Section. Upon InspireMD's request, [Entity] shall also obtain such certificates from its Representatives and provide a copy of such certificates to InspireMD.

1.9 If InspireMD reasonably determines, at any time, that there is credible evidence that [Entity] or any of its Representatives has violated any Anti-Bribery Terms, it shall have the right to suspend all payments due under this Agreement while it investigates the credible evidence. Upon a good faith request by InspireMD, [Entity] shall cooperate with InspireMD's investigation to determine if such a violation has occurred. If InspireMD determines reasonably and in good faith that there has been such a violation, it shall have the right to terminate this Agreement with immediate effect and without payment due of any kind except for Services lawfully and properly rendered under the Agreement.

1.10 [Entity] shall indemnify and hold harmless InspireMD and its officers, directors, employees, agents, affiliates, successors, and permitted assigns (collectively, "Indemnified Party") against any and all losses, damages, liabilities, deficiencies, claims, actions, judgments, settlements, interest, awards, penalties, fines, costs, or expenses of whatever kind, including reasonable attorneys' fees, that are incurred by Indemnified Party arising out of the violation of any Anti-Bribery Terms by [Entity] or any of its Representatives.

1.11 For purposes of this Agreement:

(a) "Close Family Member" means (i) the individual's spouse; (ii) the individual's and the spouse's grandparents, parents, siblings, children, nieces, nephews, aunts, uncles, and first cousins; (iii) the spouse of any persons listed in subcategory (ii); and (iv) any other person who shares the same household with the individual.

(b) "Government Entity" means (i) any national, state, regional, or local government (including, in each case, any agency, department, or subdivision of such government), and any government agency or department; (ii) any political party; (iii) any entity or business that is owned or controlled by any of those bodies listed in subcategory (i) or (ii); or (iv) any international organization, such as the United Nations or the World Bank.

(c) "Government Official" means (i) any director, officer, employee, agent, or representative (including anyone elected, nominated, or appointed to be a director, officer, employee, agent, or representative) of any Government Entity, or anyone otherwise acting in an official capacity on behalf of a Government Entity; (ii) any political party, political party official, or political party employee; (iii) any candidate for public or political office; (iv) any royal or ruling family member; or (v) any agent or representative of any of those persons listed in subcategories (i) through (iv).

EXHIBIT B

COMPLIANCE OFFICER AND COVERED PERSONS

Compliance Officer:

Craig Shore, CFO

In the absence of the Compliance Officer, Amir Kohen, EVP of Finance may serve as the compliance officer.

The following persons are Covered Persons under this Program:



Executive Leadership

- CEO
- CFO
- COO
- CCO
- Board members involved in audit, compliance, or commercial approvals



Finance & Treasury

- All Finance staff



Commercial & Sales

- Anyone approving international (non-US) transactions or commercial terms
- OUS sales directors and managers



Operations

- Employees managing import/export of goods
- Anyone overseeing shipments to international locations or involved in customs declarations

IEXHIBIT C

SAMPLE COVER MEMO TO COVERED PERSONS

To: [NAME OF COVERED PERSON]

From: [COMPLIANCE OFFICER]

Date: [DATE]

Re: FCPA, Anti-Money Laundering, Sanctions, and Export Control, Compliance Program

You are receiving a copy of our company's FCPA, Anti-Money Laundering, Sanctions, and Export Control, Compliance Program ("Program") because you have been designated as a Covered Person (as defined therein). Among the requirements of the Program are:

- an initial review of our customers against U.S. government published lists of terrorists and other suspect individuals and countries of origin;
- heightened scrutiny of new customers against these U.S. government lists;
- reporting procedures for suspicious activity; and
- additional information and representations required for new customers.

It is imperative that you read the Program very carefully and discuss any questions or concerns you may have with me. Our company is subject to potential fines for violations of anti-money laundering, export controls, and sanctions laws, and your adherence to the Program is mandatory and critical for the company's success. I will serve as our firm's Compliance Officer for anti-money laundering, export controls, and sanctions matters and will keep you informed as to any additional procedures or requirements we may adopt in the future.