

AU10TIX

IDENTITY INTELLIGENCE



## **AU10TIX Anti-Bribery and Corruption Compliance Policy (“ABCC Policy”)**

## Legal Notice

This document contains proprietary and confidential material of AU10TIX Ltd. Any unauthorized reproduction, use, or disclosure of this material, or any part thereof, is strictly prohibited. This document is solely for the use of AU10TIX employees and authorized AU10TIX customers. The material furnished in this document is believed to be accurate and reliable. However, no responsibility is assumed by AU10TIX Ltd. for the use of this document, or any material included herein, and it is not intended to constitute a warranty by AU10TIX that such details, specifications or other information or documentation satisfy any applicable laws or other. AU10TIX Ltd. reserves the right to make changes to this document or any material included herein at any time and without notice.

For more information visit:

[www.AU10TIX.com](http://www.AU10TIX.com)

Copyright © AU10TIX

## Introduction

### Purpose

The purpose of this Policy is to assist employees, officers, and directors of Au10tix Technologies BV and its subsidiaries. (“**Company**”) and all of our business partners, in identifying anti-bribery and corruption-related issues and in understanding and complying with applicable anti-bribery and anti-corruption standards. This Policy is to be read in conjunction with the entirety of our anti-corruption compliance program policies and procedures. These policies and procedures include the *Code of Conduct*.

### Commitment to Best Practices

We are committed to conducting our business with integrity and based upon ethical best practices and principles, including anti-bribery and anti-corruption compliance standards.

### Zero Tolerance

The Company has zero-tolerance for bribery and corruption. In addition to the need to follow the law, our rejection of bribery has important business benefits, including maintaining our corporate reputation and retaining the confidence of customers and third parties with whom we do business.

### **Public and Private Sectors**

The prohibitions against bribery and corrupt conduct apply regardless of whether it takes place in the **public sector** or in the **private sector**. Bribery is illegal in both contexts. Employees<sup>1</sup> must not engage in bribery (either giving or receiving things of value to gain an improper business advantage) in connection with any of the Company's dealings or activities involving private or public companies, organizations, or individuals.

### **Numerous Jurisdictions**

The Company is active in numerous markets and act in compliance with the anti-bribery and anti-corruption laws of many jurisdictions. These include, inter alia:

- The laws of the state of Israel;
- The 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 applicable in the countries in which we do business.

### **1.6 Consult Local Law**

This Policy is meant to provide general principles and guidance with respect to anti-bribery and corruption-related matters. In some cases, the laws of the jurisdiction in which we do business

---

<sup>1</sup> For the purposes of this Policy the term 'Employees' shall be construed broadly to include all individuals working for or on behalf of the company, regardless of their position or employment status. This includes, but is not limited to, full-time and part-time employees, directors, officers, managers, supervisors, contractors, consultants, temporary workers, interns, and agents acting on the Company's behalf.

might vary from what is included in this Policy. Employees should, therefore, also always consult and follow the applicable local laws.

## Applicability

The principles of this Policy apply to all Company employees, officers, and directors. In addition, the Company will require (through contractual clauses, due diligence, and training) that third parties who act on our behalf, including service providers, consultants, distributors, contractors, agents, representatives, and suppliers, similarly abide by this Policy.

## Definitions

The following concepts are essential to understanding the scope of the prohibition on bribery and corrupt conduct. These concepts should be interpreted broadly.

- **Bribery.** Bribery is defined in different ways under the laws of different countries. In general, and for the purposes of this Policy, it 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 to derive an inappropriate “business or another advantage” for the Company. This includes the offering, promising, giving, or receiving improperly of anything of value with the intent to induce a person to perform their duties in connection with the Company’s business. Bribery takes place the moment something of value is offered.
- **Corruption.** Corruption is broadly defined. It includes the direct and indirect offer, promise, acceptance, or solicitation in the conduct of the Company’s business of anything of value or advantage as an inducement for an action which is illegal or a breach of trust.
- **Directly or Indirectly.** Employees are prohibited from engaging in bribery directly or indirectly (such as through a third-party intermediary). Employees may not instruct, authorize, or allow a third party to make or receive a bribe on their behalf. Employees may not make a payment or provide a benefit to a third party, or have a third party receive a payment or benefit, knowing or having reason to know that all or a portion of the payment or benefit may be used for the purpose of bribery.
- **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.

- **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 a reduction in taxes, tolerance of non-compliance with applicable rules, or other favors or preferential treatment.
- **Facilitation Payments:** Facilitation or “grease” payments are small payments to a low-level government or public official to expedite or secure the performance of a routine, non-discretionary governmental action, such as obtaining utility services or clearing customs.
- **Supplier:** A supplier means any company or organization, or individual that provides goods and services to the Company. The definition of Supplier is to be interpreted broadly and is meant to include subcontractors, service providers, agents, consultants, and representatives.

## our Guiding Principles

The following principles serve as the basis of this Policy and should guide the conduct of all individuals associated with the Company:

### We Commit to the Following:

- We will have **zero tolerance** for offering, promising, paying, or accepting **any corrupt payment, benefit, or inducement to any person.**
- We will maintain **accurate books and records** in accordance with internal Company 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 records. Every director, officer, or employee will respond fully and truthfully to any questions from the Company’s internal and/or independent auditors.
- 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.
- We will strongly encourage **reporting**, without fear of retaliation, of any known or suspected bribery or corrupt conduct.
- We will **investigate** all reports of known or suspected corrupt activity perpetrated by any individual, either employed or in a business relationship with the Company.

### We Must Never:

- Make **facilitation payments**. Such payments are considered a form of corruption and are prohibited under the local laws of most countries and by the OECD Convention and the United Nations Convention Against Corruption. We must never offer a facilitation payment.
- 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.
- Engage in **bribery**. Company employees (including temporary and contract employees), officers, and directors are prohibited from engaging, directly or indirectly, in bribery.
- Allow **third parties**, including service providers, agents, consultants, brokers, or distributors, to engage in bribery or corruption on our behalf.
- Do business with **other parties** who are engaged in bribery or corruption.
- **Take retaliatory action** towards employees who, in good faith, report suspected violations of the *Code* or this Policy. Allegations made in bad faith, however, will not be tolerated.

## Awareness and Training

### Obtaining Guidance

Employees are expected to be familiar with this Policy. If they are uncertain about whether a particular activity is improper, employees are encouraged to ask questions about this Policy and other compliance-related issues. Employees should always feel free to direct any questions to their direct manager, the Company's Legal Counsel, or CFO.

### Training

The Company engages in various means of communication and training to make employees, officers, and directors aware of this Policy. As part of our overall ethics training, all Company employees, officers, and directors will be provided training regarding anti-bribery and corruption upon their joining the Company. In addition, focused ethics and anti-bribery and corruption training will be provided periodically to applicable professional functions.

## Gifts, Business HOSPITALITY, AND Entertainment

### Policy

Offering gifts, business entertainment, and other hospitality is an ordinary part of doing business, but it is also an area with the potential for corrupt conduct. It is the policy of the Company never to offer gifts, business entertainment, hospitality, or other personal benefits for improper purposes or as a means to induce someone to act for the benefit of the Company. Very often, legal and legitimate hospitality can be interpreted as a bribe, and the difference is hard to define in the abstract. The Company has therefore adopted a *Business Entertainment and Gifts Policy* that provides specific guidance on gifts and business entertainment offered in the public and private sector, monetary thresholds, documentation, and approval processes.

### **Local Regulations**

Employees must be aware that any general monetary threshold established by the Company may exceed what is legal in a particular jurisdiction. Therefore, employees must always consult the local laws and regulations of the jurisdiction in which they are doing business.

## **Donations**

### **Political Donations**

The Company's policy is not to make political donations on its behalf. Directors, officers, and employees may choose to make political donations from their own resources, but not with a view to influencing a third party for the benefit of the Company or in any way that might give the impression that such influence was intended.

### **Charitable Donations**

The Company may make reasonable donations to charities from Company funds, subject to receipt of approvals specified in internal policies. The Company must be certain that such charitable donations cannot be viewed as an attempt to buy influence for its benefit or in any other way as being improper and that such donations are not disguised as unlawful payments to private individuals in violation of anti-corruption laws. Accordingly, prior to making any charitable contributions, we must take care, including doing due diligence, to verify that the recipient charity is legitimate and that there is no apparent risk that any donation will be diverted to other beneficiaries.

## **Due Diligence**

The Company could be held liable for the conduct of third parties acting on our behalf. Further, when acquiring another company or business, we run the risk of possible reputational damage and financial consequences related to any pre-acquisition conduct and, of course, any conduct that continues once it is acquired by us. Accordingly, prior to proceeding with the engagement of a third-party service provider, the formation of a joint venture/teaming arrangement, or acquisition

of another company, the Company will conduct due diligence on all relevant parties, including service providers, consultants, agents, and representatives, subcontractors, suppliers, potential teaming/joint venture partners, and acquisition targets.

## **Reporting Suspected Violations and the company's commitment to investigate**

### **Reporting Illegal or Unethical Behavior**

The Company encourages all employees to speak up and raise concerns. Raising concerns is a critical step so that we can identify and react to misconduct and protect ourselves from negative consequences. Every employee, officer, and director has a duty to report any potential violations of this Policy. While fully transparent reporting enables us to conduct a more effective investigation if the employee wishes, a report may be submitted anonymously. For more information on reporting suspected violations, please refer to the Company's internal *Whistleblower and Investigations Procedure*.

### **Investigations**

Because of the potentially severe consequences for companies and individuals who engage in bribery and corruption, the Company will investigate all credible allegations of such misconduct. We will take all concerns raised in good faith seriously, and we will investigate suspected misconduct fairly, consistently, confidentially, and consistent with the *Whistleblower and Investigations Procedure*. All directors, officers, and employees of the Company are required to cooperate in such investigations, including providing access to data and devices used in the course of the Company's business.

### **Commitment to Non-Retaliation**

No employee who makes a good faith report concerning potential misconduct based on his or her personal knowledge or who cooperates with an internal or external investigation into such potential misconduct will suffer any adverse work-related consequences, provided that such employee has not himself or herself acted improperly.

## **Red Flags**

### **11.1 What is a Red Flag?**

“Red Flags” are facts or circumstances that raise a concern that a particular transaction, relationship, or engagement involves a risk of bribery or corruption. A Red Flag is not definitive evidence of corruption, but it requires that we conduct an inquiry to understand whether: (i) there are legitimate and credible explanations, (ii) there is no apparent legitimate explanation, or (iii) the risk of corruption is confirmed and substantiated.



## 11.2 Identifying and Following-Up Red Flags

In all dealings with potential or current consultants or representatives, our customers or other third parties, Company directors, officers and employees must be conscious of any Red Flags that may be present or arise that suggest possible violations of anti-bribery and corruption standards. When a Red Flag is identified, Employees must be sensitive to the risk of corruption it presents. It must be followed up, and appropriate steps are taken to prevent the Company from being implicated in bribery or corruption, including possible termination of the third-party relationship or walking away from an acquisition, joint venture, or business opportunity.

## 11.3 Examples

The following are examples that may suggest potential breaches of this Policy or represent common areas of corruption compliance risks. If an employee become aware or suspicious of any Red Flags, including the following circumstances, they must immediately raise the issue with the Legal Counsel or the CFO.

Please note that the following list of Red Flags is not exhaustive.

### ***a. Gifts and Business Entertainment:***

- extravagant business entertainment;
- cash and cash equivalents, which include vouchers and gift cards;
- gifts and entertainment during contract negotiations;
- excessive or lavish entertainment;
- gifts and entertainment to family members and friends;
- entertainment or hospitality where the host is not present; or
- giving and accepting of gifts and entertainment on a frequent basis with the same third party.

### ***b. Potential Conflicts of Interest:***

- having a direct or indirect commercial relationship with the Company;
- using Company assets to advance private interests;
- making employment decisions based on a personal, rather than a business basis;
- holding an office or directorship in a company that is in competition with the company, in which the Company has a commercial interest or which receives donations or sponsorships from the Company; or
- soliciting employment for a family member or close friend.

### ***c. Third-Party Due Diligence Findings:***

- indications of a close personal relationship between the third party and a customer that could improperly influence a decision;
- insufficient bona fide business reasons for retaining the third party;
- the third party is not qualified or lacks the necessary experience and resources to perform the functions for which it has been engaged;
- refusal of the third party to contractually commit to compliance with applicable anti-bribery laws and regulations;
- the Company knows or suspects that the third party, any senior personnel that the third party employs or any individuals or entities by whom the third party is owned, controlled or managed, has been involved in illegal or unprofessional conduct or activity or has been accused or convicted of such involvement; or
- indications of previous involvement in behavior contrary to applicable anti-bribery laws and regulations or other legal requirements.

***d. Geographic Risks:***

The country in which the activity is to take place or where the third party is active or resident does not have a Corruption Perception Index (CPI) score in the top 25% of the countries on the most recent Transparency International CPI (such country being a “**high-risk country**”).

***e. Accounting and Payments:***

- inadequately documented payments or expenses;
- requests for unusual payment channels;
- excessive fees;
- deceptive or inaccurate bookkeeping entries, or accounting procedures which would conceal the true nature of the expenses (e.g., entertainment recorded as a training expense); or
- the use of false documents and invoices.

## **11.4 Reporting Red Flags**

It is the responsibility of the employee who observes or suspects a Red Flag to report the matter to his or her supervisor as well as the *Legal Counsel or the CFO*. **Remember — if in doubt - consult.**

Failure to Comply

Failure to comply with this Policy may result in significant civil and criminal penalties against the Company, and the individuals involved and are grounds for disciplinary action against such individuals, including the potential termination of employment.

### **Periodic POLICY Review**

The Legal Department will periodically assess the effectiveness of this Policy.

Last reviewed and updated: August 20, 2024

Approved by: Udi Abram. VP Legal, GC