

Morphisec Anti-Bribery & Anti-Corruption Policy

Introduction

At Morphisec Information Security 2014 Ltd. and any of our subsidiaries (“**Morphisec**” or the “**Company**”), integrity is at the core of our business, both for our customers and for our own operations. We are committed to conducting business in a fair, ethical, honest, and lawful manner and in compliance with all laws, rules, and regulations applicable to our business. We comply with all anti-corruption laws everywhere we operate, and we do not tolerate the giving or receiving of bribes, kickbacks, or other improper payments in connection with our business.

The purpose of this Anti-Bribery and Anti-Corruption Policy (the “**Policy**”) is to ensure compliance with anti-bribery and anti-corruption laws worldwide. This Policy also provides guidance to avoid even the appearance of questionable or corrupt conduct in carrying out Company business.

Scope

This Policy is global in scope and applies to all employees, officers, directors, joint venture partners, and other business partners performing work for or on behalf of Morphisec (collectively, the “**Team Members**”). The anti-bribery commitments in this Policy applies to all third parties acting on Morphisec’s behalf, including but not limited to resellers, consultants, subcontractors, channel partners, suppliers, distributors, agents, representatives, or other vendors (collectively, the “**Third-Party Service Providers**”).

Compliance with this Policy is mandatory. If local law imposes stricter requirements than those described in this Policy, Team Members and Third-Party Service Providers must comply with those law requirements.

Waivers of any provision of this Policy for any Team Member must be approved by Morphisec’s Legal Counsel.

You can contact Morphisec’s Legal Counsel at: legal@morphisec.com.

Table of Contents

1. Responsibilities of Team Members
2. Bribery and Corrupt Behavior is Strictly Prohibited
3. Facilitation Payments Are Also Prohibited
4. Special Considerations for Transactions with Government Officials
5. Engagement with Third-Party Service Providers
6. Gifts and Entertainment
7. Corporate Political Contributions
8. Corporate Charitable Contributions
9. Hiring Decisions
10. Written Agreements, Recordkeeping, Accounting, and Internal Controls
11. Mandatory Reporting of Policy Violations
12. Violations and Disciplinary Actions
13. Questions

1. Responsibilities of Team Members

At Morphisec, **we never pay bribes or act corruptly**. All Team Members must:

- Read, comply with, and understand how this Policy applies to their job functions;
- Ask their supervisor or Morphisec's Legal Counsel for guidance when they are uncertain about how to comply with this Policy; and
- Immediately report violations or potential violations of this Policy.

Why should I care about bribery?

Not only can engaging in bribery result in civil or criminal penalties for Morphisec, but **it can result in civil and criminal penalties for you as well**. In addition, engaging in bribery and/or failing to report bribery-related concerns can result in disciplinary actions against you, up to and including termination. Following this Policy is mandatory to protect both you and the Company.

2. Bribery and Corrupt Behavior is Strictly Prohibited

Team Members must not attempt to influence individuals to gain an improper business advantage for Morphisec. Team Members are strictly prohibited from:

- Giving or accepting bribes, which are offers, promises, or gifts of money or anything of value that are given with the intent to influence or reward any person or entity.
- Kickback agreements, which are forms of bribery that involve an agreement to accept or provide money or something of value in exchange for favorable treatment or services rendered, with any person or entity – including clients, vendors, subcontractors or other third parties – in a position to benefit any Team Member or Morphisec.

US, UK, and other anti-corruption laws also strictly forbid paying or soliciting bribes, kickbacks, or offering anything of value with the intent to influence or reward government officials or employees of government entities.

- Government officials include any official from any local, state, national, or international government, branch, agency, or political subdivision; law enforcement officials; customs officials; taxing or licensing authorities; and/or employees of state-owned media companies.
- A government entity is any government; public international organization; department, agency, or instrumentality of such a government or organization; public authority; political party; or a company or entity owned or controlled by or acting on behalf of any such government entity.

Can I use an intermediary to facilitate payment to a government official or government entity?

No. Bribing or offering a kickback to a relative, friend, or colleague of an individual (including government officials and employees of government entities) is the same as bribing the individual and is therefore **prohibited**. Furthermore, engaging a third party to pay a bribe, offer a kickback, or make an inappropriate political or charitable contribution on Morphisec's behalf is the same as if Morphisec or a Team Member directly engaged in the corrupt behavior and is also prohibited and likely illegal.

3. Facilitation Payments are Also Prohibited

Facilitation payments (also known as “grease” or “expediting” payments) are payments made to government officials to increase the speed at which they do their job, including, for example, small payments made to immigration officials to speed up visa processing, or to customs officials to expedite customs clearance can be considered facilitation payments. All facilitation payments, regardless of amount, are **prohibited** unless prior written approval has been obtained from the

Legal Counsel. This prohibition does not include payment of published expediting fees.

4. Special Considerations for Transactions with Government Officials

Team Members may occasionally or even routinely conduct certain transactions with government officials or entities. Pre-approval is not required to conduct routine government transactions. A transaction is a routine government interaction if:

- It involves the payment of taxes or fees, or the purchase of goods or services;
- The amount of payment (if any) is objectively calculated, such as by a predetermined fee schedule or a published tariff, or fees associated with submitting government applications or obtaining copies of official documents; and
- The government entity lacks discretion to refuse payment or withhold the goods/services for reasons other than the customer's inability to pay or the entity's inability to provide the goods/services at the time or place requested.

In contrast, a non-routine transaction with a government official occurs when the official has discretion to act. Examples of such transactions include:

- Seeking a license for the transfer of technology;
- Obtaining a general business license;
- Applying for a visa on behalf of an employee;
- Entering into a contract with a company that is partially owned or controlled by a government entity or government official.

Team Members and Third-Party Service Providers must obtain pre-approval for all non-routine transactions with government entities and government officials from Morphisec's Legal Counsel.

What should I do if I am unsure whether a transaction is routine?

Whenever you have a question about this Policy, including whether pre-approval is required for a transaction, you should contact Morphisec's Legal Counsel for guidance.

5. Engagement with Third-Party Service Providers

In many cases, bribes, kickbacks or other improper payments or gifts are not given by a company's own employees but are instead offered by third parties using funds provided by the Company. Third-Party Service Providers conduct business or perform services and interact with government officials on Morphisec's behalf, such as consultants, lawyers, management companies, accountants, brokers, and logistic providers. **Failure to conduct proper oversight of Third-Party Service Providers can expose Morphisec to criminal and civil sanctions.** Morphisec can be held liable for the improper actions of Third-Party Service Providers working on its behalf and for ignoring warning signs that Third-Party Service Providers pose corruption risks. Morphisec and any Team Members involved in the improper conduct may have liability even if the specific improper action of the Third- Party Service Provider was not specifically known and warning signs were ignored.

Morphisec prohibits corrupt offers, promises, and payments of money or anything of value to government or nongovernment officials through Third-Party Service Providers. Team Members are responsible for clearly communicating the values and principles underlying this policy to Third-Party Service Providers with whom they interact and to provide them with a link to this policy.

In addition, Team Members must be aware of any red flags indicative of possible corrupt behavior or concerns of misconduct over the course of the Third-Party Service Provider's relationship with Morphisec. **Any red flags must be reported to Morphisec's Legal Counsel which shall conduct a further due diligence.**

What are examples of red flags?

Red flags may include, but are not limited to:

- The other party to the agreement is from a “higher risk” country (for example, China, Russia, and many African nations). Please use the Corruption Perception Index: <https://www.transparency.org/en/cpi/2021> (any country with a CPI score over 55 are considered high risk).
- Excessive commissions or fees being charged by a Third-Party Service Provider;
- Unreasonably large discounts being given to a third-party agent or reseller;
- Consulting agreements that include vaguely described services;
- A Third-Party Service Provider that represents it is in a particular line of business, but is later discovered to be in a different line of business;
- Requests for payment to offshore bank accounts or to a nominee;
- Requests for reimbursement for unexplained or vague expenses, or insufficient or irregular documentation provided in support of invoices;
- A Third-Party Service Provider is able to obtain non-public information from government sources;
- A Third-Party Service Provider is related to or closely associated with a Government Official; or
- A Third-Party Service Provider is a shell company incorporated in an offshore jurisdiction.

6. Gifts and Entertainment

The purpose of business gifts and the provision of entertainment in a commercial setting is to create goodwill and sound working relationships. However, these business courtesies can sometimes be used to disguise bribery or other improper payments. A critical question that must be answered before providing gifts, hospitality, or entertainment is why it is being given. **If it is to increase the awareness of the services that Morphisec offers or to foster goodwill, and it is not unduly lavish or provided to the recipient frequently, it likely is permissible.** On the other hand, if it is meant to influence a specific decision, it is not permissible.

Key considerations to keep in mind when evaluating whether a gift, hospitality, or entertainment is appropriate include:

- It is not offered to gain an improper advantage or to influence a particular decision;
- It is not offered to a government entity or government official;
- It is legal under the local laws;
- It would not cause embarrassment to Morphisec or the recipient if it became public;
- It is allowed under the policies of the recipient's organization;
- The value and frequency provided to the recipient is reasonable and appropriate to the recipient's position and circumstances so that it could not reasonably be misunderstood by the recipient or others as a bribe;*
- It is not in the form of cash or a cash equivalent, such as a gift card (provided that gift cards in the amount of up to \$50, when used in accordance with common practice (such as coffee gift cards at an event) are allowed); and
- The true nature, amount and purpose is accurately recorded in Morphisec's books and records as required by Morphisec's Finance Department.

**As a rule of thumb, other with respect to meals & entertainment and travel & accommodation (as explained below), a gift is considered of reasonable value if its retail value is less than \$100 or its equivalent – so that Penguin dolls gifts at an event are allowed.*

Because they present heightened corruption risks, **gifts and entertainment provided to government officials on the Company's behalf are not permitted unless pre-approved by Morphisec's Legal Counsel**, even if laws and customs in the different jurisdictions where we operate may differ with this Policy. Employees are also prohibited from engaging a Third Party to provide gifts or business entertainment to government officials or employees of government entities on Morphisec's behalf that would violate this Policy, US and UK laws, or any laws around the world.

Meals & Entertainment. Team Members may offer or receive infrequent, reasonable and appropriate business meals or entertainment, provided that business is discussed at those events and that the activity has a clear business purpose. An example would be the promotion, demonstration or explanation of the Company's products or services, or the execution or performance of a contract. Such activity shall not involve excessive expenditures. The guidelines for reasonable and appropriate activities shall be normal industry practice in the relevant locality consistent with local legal requirements. While the gift value described above does not apply in the case of meals and entertainment, the key here is reasonableness of the meals or entertainment and high integrity of business practice.

Travel & Accommodation. Team Members may offer or receive expense refund for travel and accommodation from any third party only if such expense is approved in advance by the Chief Executive Officer, Chief Financial Officer or Morphisec's Legal Counsel.

7. Corporate Political Contributions

Political contributions are generally regarded as anything of value given to support a political or public policy goal. While Morphisec may elect to make political contributions from time to time, no Team Member may make any contributions or payments to political parties, candidates or initiative, referendum, or other political campaigns on behalf of the Company nor may they participate in such activities during Company time, unless such payments are clearly permitted by law and approved by Morphisec's Legal Counsel.

This Policy does not apply to Team Members making political contributions on their own behalf with their own funds.

8. Corporate Charitable Contributions

Morphisec actively supports charitable giving in communities where it does business. The Company may make charitable contributions to various organizations in those communities, to individuals, in the case of scholarships, or to charitable organizations supported or sponsored by government officials. While charitable contributions help the Company generate goodwill and give back to the communities in which it operates, charitable contributions can also present corruption risks. Such contributions may be particularly problematic if a government official or government entity controls or has influence over the organization that receives the contributions.

All charitable contributions made by Morphisec must be approved by Morphisec's Legal Counsel. Team Members may not make contributions on Morphisec's behalf or that appear to be on Morphisec's behalf using personal funds absent approval from Morphisec's Legal Counsel. The Policy does not apply to contributions made by Team Members on their own behalf using personal funds.

9. Hiring Decisions

Team Members are hired based on their qualifications, merit, and demonstrated ability to perform the job for which they are hired. Morphisec prohibits hiring a relative of a government official for the purpose of influencing the official's decision-making.

Any proposed hiring of a government official or a relative of a government official as a Team Member should adhere to the Company's policies and applicable hiring procedures and must be reviewed and preapproved by Morphisec's Legal Counsel.

10. Written Agreements, Recordkeeping, Accounting, and Internal Controls

No oral agreements or arrangements are to be made with any party on the Company's behalf. Contracts and agreements on behalf of the Company must be in writing and be approved in advance by Morphisec's Legal Counsel or outside legal advisors.

Anti-corruption laws require Morphisec to maintain records that accurately reflect its business transactions. Team Members and Third-Party Service Providers who enter transactions on Morphisec's behalf are required to ensure that all transactions (no matter how small) are recorded promptly and accurately, contain sufficient detail, and are appropriately supported. Records of transactions involving government officials must include, at a minimum, information sufficient to prove the benefit recipient's name, position, benefit purpose or occasion, and benefit value. Absolutely no false or misleading information may be provided for any reason.

Failure to record or inaccurately recording a direct or indirect transaction with a government official or government entity is a violation of this Policy.

11. Mandatory Reporting of Policy Violations

Team Members who suspect that there has been a violation of this Policy or any law or regulation should report it to Morphisec's Legal Counsel immediately.

Any Team Member who receives a report of a violation or a possible violation must promptly forward it to Morphisec's Legal Counsel and must refrain from conducting any independent investigation. All investigations must be performed by Morphisec's Legal Counsel.

If a Team Member has concerns about whether the person to whom the violation was reported has taken appropriate action, or if a Team Member believes the matter should be reported to a person in higher authority, the Team Member should bring the matter to Morphisec's Legal Counsel.

Morphisec will not tolerate retaliation against any individual who submits a good faith report of a violation or participates in a related investigation. Any individual who believes they may be the target of retaliation should promptly report the matter to Morphisec's Legal Counsel. Retaliation itself is a violation of this Policy, with consequences up to and including termination.

Q. I am nervous that I will get in trouble for reporting a potential policy violation. What should I do?

A. Morphisec has **zero** tolerance for retaliation for reports submitted in good faith. This Policy requires you to report the potential policy violation to Morphisec's Legal Counsel.

12. Violations and Disciplinary Actions

A violation of this Policy is a serious matter and can result in criminal or civil penalties against Morphisec and the Team Member involved in the violation, as well as harm Morphisec's reputation.

Any Team Member determined to have violated this Policy may be subject to disciplinary action up to and including termination of employment. Any violation of law or this Policy may also result in a loss of incentive compensation, bonuses, or other awards, to the extent permitted by law. Third-Party Service Providers determined to have violated this Policy will be subject to contractual remedies and, where appropriate, termination of the business relationship. Morphisec reserves the right to refer potential violations to regulatory and law enforcement authorities, if deemed appropriate under the circumstances.

13. Questions

Team Members are encouraged to ask questions regarding this Policy by contacting their supervisor or Morphisec's Legal Counsel.