

Taldor Computer Systems (1986) Ltd.

Anti-Corruption Policy

(ver. 02 - Last update May, 2020)

1. Anti-Corruption Policy

- 1.1. Taldor Computer Systems (1986) Ltd. ("**Taldor**") is committed to do business ethically, honestly, and in full compliance with all laws and regulations.
- 1.2. This policy shall apply on Taldor and any of its subsidiaries, any company of its group of companies, any employee and any third parties who work with/ on Taldor's behalf, both locally and globally (such as independent contractors, consultants, agents, suppliers, vendors and others who do business with Taldor) ("**Third Parties Partners**").
- 1.3. Taldor strictly forbids offer or acceptance of bribes or kickbacks in any form, or any other moral corruption in connection with any of its business dealings, nor it will honor obligations or promises connected with illegal or corruption acts that any employee in Taldor will undertake on its behalf, to any individual, whether that individual is a Government Official¹ or a private party. Note, that giving or receiving gifts and hospitality to a Public Servant (a state employee including soldiers, a municipal employee, an officer or person holding a position by law, a state appointed director, an employee in a

¹ The term "Government Official" includes a Public Servant as defined above; candidates for political office. This term also includes officers or employees of government-owned or controlled commercial enterprises such as state-owned or controlled universities, airlines, oil companies, health care facilities or other vendors. The term also includes family members and close associates of such individuals (e.g., it is not permissible to give a lavish gift to the sibling, spouse or child of a government employee if a gift to the individual would be prohibited under this Policy).

state owned company, or of a company providing public service etc.) carries a higher risk. Make sure that all gifts and hospitality given to public officials are registered and reported.

- 1.4. Corruption - is an abuse of power that involves acting dishonestly or improperly in return for money, personal gain, or anything of value. It can take many forms and is not limited to interactions with the government.
- 1.5. Taldor shall take reasonable efforts to inform its employees and Third Parties Partners about this policy and Taldor's zero tolerance approach to corruption.
- 1.6. Compliance with this policy and both local and international anti-corruption laws is mandatory. Failure to do so may result in disciplinary action, including termination of employment/ business relationship with Taldor.

2. Compliance With Laws and Regulations of Anti-Corruption

- 2.1. Under Israeli law and various worldwide anti-corruption laws, it is illegal to provide cash or anything else of value (like gifts, business meals or entertainment) to individuals in order to obtain or retain business, or to secure any improper advantage. Note, that these laws usually do not prohibit receiving or giving reasonable and customary business gifts, modest meals and alike, and those may be given or received without violation however extra caution should be taken in order not to cross the forbidden line.
- 2.2. Special awareness is required were acting in an area which its environment suggests corrupt practices as there are rumors of, or a reputation for, offering or accepting bribes, either by direct kickbacks or through marketing agents.
- 2.3. Taldor's employee and Third Parties Partners are requested to speak up and not to ignore the actions of third parties in regard of bribery or corruption issues.
- 2.4. Taldor strictly prohibits expediting and facilitation payments except in limited circumstances (i.e. imminent threat to health or safety). Facilitating payment is a certain type of payment to foreign officials that although not considered to be bribery according to legislations of some states, they are still considered to be unacceptable according to Taldor's ethics policy.
- 2.5. Taldor will keep and shall request its Third Parties Partners to keep accurate records of business transactions, ensure that all relevant records, including invoices and expense reports, accurately reflect the associated business transactions, and will **in no way** misstate facts, omit critical information or modify records or reports in any way to mislead others or assist others in doing so.
- 2.6. Any Taldor's employee or Third Parties Partners that is confronted with a demand to pay a bribe or facilitation payment or is offered a kickback, shall refuse it and immediately report to Taldor's CFO.
- 2.7. When traveling abroad any Taldor's employee and Third Parties Partners (if traveling in connection with Taldor's businesses) should comply with chapter 6 of Taldor's employees traveling procedure which defines the limit of business dinners and hotel facilities are permitted to be accepted, or being offered.

2.8. Taldor strongly encourages any employee or Third Parties Partner that is in doubt (whether a certain payment represents a facilitation payment, have been requested to pay a facilitation payment, or you suspect one has been made) to contact Taldor's legal department. Also, Taldor's employees and Third Parties Partners should not let questionable behavior go on unchallenged, should monitor third parties closely, especially if they interact with Government Officials on Taldor's behalf or for Taldor's benefit, and should never ignore rumors of improper payments or other suspicious activities.

3. Relationships with Third Parties

Anti-corruption laws prohibit indirect payments made through a third party, including giving anything of value to a third party while knowing that value will be given to a Government Official for an improper purpose. Therefore, Taldor's employee or Third Parties Partners should avoid situations involving third parties that might lead to a violation of this Policy.

Taldor's employee or Third Parties Partners who deal with third parties are responsible for taking reasonable precautions to ensure that the third parties conduct business ethically and comply with this Policy. Such precautions may include, for third parties representing the Company before governmental entities, conducting a due diligence review of a third party (based on public sources from the internet), inserting appropriate anti-corruption compliance provisions in the third party's written contract, requiring the third party to certify that it has not violated and will not violate this Policy and any applicable anti-corruption laws during the course of its business with the Company, and monitoring the reasonableness and legitimacy of the services provided by and the compensation paid to the third party during the engagement. Taldor's employee or Third Parties Partners retaining third parties that will be representing the Company before governmental entities must discuss the engagement with the CEO of the Company, prior to hiring the third party. Any doubts regarding the scope of appropriate due diligence efforts in this regard should be resolved by contacting the CEO of the Company.

In addition, once a third party is engaged, Taldor's employee or Third Parties Partners who deal with third parties must always be aware of potential red flags. Red flags are certain actions or facts which should alert a company that there is a high possibility of improper conduct by a third party. A red flag does not mean that something illegal has happened, but rather that further investigation is necessary. Red flags are highly fact-dependent, but some examples of red flags are:

- Unusual or excessive payment requests, such as requests for over-invoicing, up-front payments, ill-defined or last-minute payments, success fees, unusual commissions or mid-stream compensation payments;
- Requests for payments to an account in a country other than where the third party is located or is working on behalf of the Company;

- Requests for payment to another third party, to a numbered account, or in cash or other untraceable funds;
- Requests for political or charitable contributions;
- The third party is related to a Government Official or has a close personal or business relationship with a Government Official;
- Any refusal or hesitancy by the third party to disclose its owners, partners or principals;
- The third party uses holding companies or other methods to obscure its ownership, without adequate business justification;
- The third party expresses a desire to keep his representation of the Company or the terms of his retention secret; or
- The third party has little experience in the industry but claims to “know the right people”;

If Taldor's employee or Third Parties Partners have reason to suspect that a third party is engaging in potentially improper conduct, they shall report the case to the CEO of the Company immediately. The Company shall conduct an investigation and stop further payments to the third party if the Company's suspicions are verified through the investigation.