



## **Anti-Corruption Compliance Policy**

Allot Ltd.  
and its  
Subsidiaries

## **I. Anti-Corruption Policy Statement**

It is the policy of Allot Ltd. and its subsidiaries (“Allot,” “we,” or the “Company”) to comply with all applicable anti-corruption laws and regulations in all countries in which the Company does business. This Policy addresses what we must do in order to comply with those laws and regulations. All employees and other persons or entities working on behalf of Allot, regardless of functional organizations, share the responsibility and accountability for complying with applicable anti-corruption laws and regulations and this Policy. Any questions concerning this Policy should be immediately referred to Allot’s Chief Compliance Officer (the “Compliance Officer”), [Rael Kolevsohn](#), +97297628454, [rkolevsohn@allot.com](mailto:rkolevsohn@allot.com), or anyone working under the authority of the Compliance Officer.

While local standards and practices may vary with respect to what is considered bribery, the Company’s policy can be summarized as follows: you may not improperly provide (or offer to provide), directly or indirectly, anything of value to anyone, including Government Officials (as defined in Section IV of this Policy) to obtain or retain business, to obtain a commercial advantage, or to receive favored treatment, anywhere in the world.

## **II. Scope**

This Policy is mandatory and applies to all directors, officers and employees of the Company, and any persons authorized to act, directly or indirectly, on the Company’s behalf, such as third party finders, agents, representatives, and temporary personnel (collectively, “Covered Persons”). Violations of this Policy may constitute violations of applicable anti-bribery and anti-corruption laws and may subject the Company and Covered Persons to serious penalties, including fines and even imprisonment.

## **III. Prohibition of Giving or Accepting Bribes**

For purposes of this Policy, bribery is defined as the promising, offering, giving, requesting, agreeing to receive, accepting, or authorizing the giving or receiving, of any advantage (not necessarily financial) to induce or reward behavior that is “improper” (i.e., illegal, unethical, or a breach of a duty or expectation that a person will act in good faith, impartially, or in accordance with a position of trust). The Company is committed to carrying out its business worldwide ethically and without the use of bribery.

Covered Persons are prohibited from offering, promising, giving, providing, or authorizing the provision of anything of value to obtain or retain business, an improper advantage, or favored treatment from any third party (including Government Officials as detailed below), or any other person with whom the Company does or anticipates doing business. Similarly, Covered Persons are prohibited from soliciting, receiving, or authorizing the receipt of anything of value from anyone, including business partners and other third parties, doing business with or seeking to do business with the Company, for the purpose of obtaining an improper advantage with the Company or having an improper influence over a Covered Person’s judgment.

The term “anything of value” is very broad. It includes not only obvious bribes and kickbacks (e.g., rebating a portion of a contract payment to third parties or using consulting agreements to funnel payments to third parties), but also improper benefits, such as medical care, inappropriate

gifts, educational assistance, unreasonable travel and entertainment expenses, and any financial or other advantage.

Even if bribes are a customary and accepted way of doing business in a particular country, the Company prohibits bribes under this Policy. A bribe does not have to be fully effectuated to be a violation of this Policy – offering a bribe that is never accepted, or never paid, is still a violation of this Policy.

#### **IV. Government Officials**

Without derogating from the generality of the above general prohibition, Covered Persons are specifically prohibited from offering, promising, giving, or authorizing the giving of, anything of value, whether directly or indirectly, to Government Officials without the prior written approval of the Compliance Officer.

For the purposes of this Policy, the term “Government Official” is broad and includes any officer or employee of a government or any department, agency, or instrumentality thereof or of a public international organization, or any person acting in an official capacity for or on behalf of such person. In addition, Government Official includes any: (i) officer, employee or person acting in an official capacity on behalf of a political party; (ii) a candidate for political office; (iii) an officer or employee of a state-owned or state-controlled company, regardless of the officer’s or employee’s rank or title; (iv) uncompensated honorary officials who have influence in the award of business; (v) members of royal families; (vi) any entity hired to review or accept bids for a government agency; (vii) officials, whether elected or appointed, or permanent or temporary, who hold a legislative, administrative, or judicial position of any kind in a country or territory; (viii) any person who performs public functions in any branch of the national, local, or municipal governments of a country or territory or who exercises a public function for any public agency or public enterprise of such country or territory; and (ix) spouses and other immediate family members of any of the persons listed above.

#### **V. Facilitation Payments**

Facilitation payments are payments made to a Government Official for the purpose of expediting or securing the performance of a routine non-discretionary governmental action, such as expediting licenses or scheduling (but not approving) inspections.

While facilitation payments may be permissible under certain applicable legal regimes, Covered Persons are expressly prohibited from making such payments.

#### **VI. Gifts and Entertainment**

The Company recognizes that accepting and providing reasonable and proportionate gifts and entertainment are a normal part of business, and this Policy does not prohibit such gifts and entertainment. The term “reasonable and proportionate” is not precisely quantified and requires the exercise of common sense. If a gift would be considered extravagant or excessive or if the gift would likely affect the recipient’s judgment, for example, in the context of an upcoming decision, approval, or contract award, then the gift will be deemed unreasonable. Gifts in the form of cash or gift certificates redeemable for goods or services are prohibited.

Prior to giving gifts of significant value (*e.g.*, gifts valued at over US \$50), Covered Persons must request and obtain prior written approval of the CFO/CEO (*i.e.* gifts value at up to \$100) or the Compliance Officer (*i.e.* gifts value at over \$100). Notwithstanding the above, offering a gift to a Government Official requires further careful consideration. Promotional items and items of little intrinsic value may be offered to Government Officials on an infrequent basis if the item has retail value of less than US \$10 and features a Company logo. Any questions regarding whether a gift is appropriate irrespective of value should be directed to the Compliance Officer. The Compliance Officer will maintain records of all gift requests, all approvals and denials of such requests, and any related documentation.

Similarly, Covered Persons must ensure that the decisions they make are free from third-party influence. Accordingly, Covered Persons must promptly report any gifts of significant value (*e.g.*, over US \$50) offered to, or received by, them to the Compliance Officer, who will assess the propriety of keeping the gift, and maintain documentation of significant gifts offered to, or received by, Covered Persons.

There are occasions in which it may be appropriate for the Company to provide reasonable, bona fide hospitality to third parties, including Government Officials, such as paying for travel, meals, and business entertainment expenses. Such hospitality shall be subject to the following general guidelines:

- All costs incurred for business hospitality shall be supported by a Business Hospitality Form to be maintained by the Compliance Officer.
- All documentation relating to requests for hospitality of Government Officials and subsequent approvals or denials shall be maintained by the Compliance Officer.
- No meal provided to a third party shall exceed the estimated cost of US \$75 per attendee. In the event that the estimated cost of a meal exceeds US \$75 per attendee, prior approval from the Compliance Officer is required.
- All flights and hotel reservations will be arranged strictly in accordance with the standards and classes applicable to Covered Persons.
- Only the following categories may be included in invitations: travel, lodging, reasonable meals and professional incidental expenses (visa application, local transportation, etc.). All other expenses shall be the responsibility of the customer/potential customer.
- Invitations of Government Officials are exceptional events, and should therefore be handled with utmost sensitivity and caution by all involved. Any invitation of a Government Official requires the prior written approval of the Compliance Officer.
- Any deviation from the above requires the approval in writing from the Compliance Officer.

The Compliance Officer will ensure that all payments made in connection with hospitality are properly documented and accurately recorded in the Company's books and records. Under no

circumstances will hospitality consist of cash payments, and hospitality must never be offered or provided in exchange for any commercial advantage or favored treatment.

## **VII. Political Contributions and Charitable Contributions**

Company money, assets, property or other things of value may not be contributed, loaned, or made available to any foreign candidate, party, or political committee. The Company may, from time to time, make charitable contributions, which are limited to reasonable amounts as determined by the Company Board of Directors. Under no circumstances should charitable contributions be made in an attempt to influence any decision or obtain an advantage. Also, the Company is prohibited from making contributions to a charity owned or controlled by a Government Official.

## **VIII. Distributors, Finders, Agents, Consultants, and other Third Parties**

Should Allot engage distributors, finders, brokers, agents, consultants, subcontractors or other third parties (collectively, "Business Associates") to act on its behalf, the Company will take appropriate measures to ensure agents abide by this Policy. These measures shall include insertion of the appropriate anti-bribery provisions in its contractual agreements with such Business Associates.

Furthermore, the Company will conduct risk-based anti-bribery and anti-corruption due diligence in accordance with the instructions of **Annex 1** prior to any engagement of a Business Associate: (i) owned or controlled, or acting on behalf of, a Government Official or governmental entity; or (ii) in connection with a project involving, directly or indirectly, Government Officials or governmental entities (in each case, such Business Associate shall be deemed an "Intermediary"). All payments made to or on behalf of a Business Associate or Intermediary must be properly documented and accurately recorded in the Company's books and records.

## **IX. "Red Flags"**

Covered Persons are required to monitor for and promptly report any "red flags" that raise anti-corruption concerns to the Compliance Officer.

A "red flag" is a fact pattern, situation, request, or other circumstance that indicates a possible anti-corruption compliance risk. The following are examples of "red flags" (this list is illustrative and not exhaustive):

- A request for payment in advance or prior to an award of a contract, license, concession, or other business.
- A request for reimbursement of unusual, extraordinary, poorly documented, or last minute expenses.
- A request for payment in cash (or otherwise untraceable funds) to a numbered account or to an account in the name of someone other than the appropriate party.

- A request for payment in a country other than the one in which the parties are located, especially if it is a country with limited banking transparency.
- A refusal by a party to certify that it will comply with the requirements and prohibitions of applicable anti-corruption laws and rules or this Policy.
- A refusal, if asked, to disclose shareholders, partners, or principals.
- Use of shell or holding companies that obscures a transaction partner's ownership without credible explanation.
- A request for a fee or kickback for the use of Company products and services at the requestor's facility.
- A request for political or charitable contributions outside of the United States, particularly if the request is for cash.
- As measured by local customs or standards, or under circumstances particular to the party's environment, the party's business is understaffed, ill-equipped or inconceivably located to undertake its proposed relationship with the Company (e.g., pre-award technical activities or logistical assistance, and post-award activities such as assistance with customs, permits, financing and licenses).
- The party appears to have insufficient know-how or experience to provide the services the Company needs.
- Company wire transfers that do not disclose the identity of the sender or recipient.

In the case of engaging an agent or consultant, the potential agent or consultant:

- resides or is headquartered outside the country in which the services are to be rendered, particularly if that country has a reputation for corruption or is a tax haven;
- has no established track record;
- has family members, relatives, employees, or family members of an employee that are officials in the foreign government or ruling political party, particularly if the official is or could be in a position to direct business to the Company;
- has been recommended by a foreign official of the potential government customer;
- is insolvent or has significant financial difficulties that would reasonably be expected to impact its dealings with the Company;
- insists on the involvement of third parties who bring no apparent value;
- intends to or reserves the right to assign its rights or obligations to a third party;

- displays ignorance of or indifference to local laws and regulations;
- has undisclosed subagents or subcontractors who assist in his or her work;
- is unable to provide appropriate business references;
- lacks transparency in expenses and accounting records;
- requests that false invoices or other documents be prepared in connection with a transaction;
- refuses to disclose its complete ownership, ownership structure, or other reasonable requested information;
- is the subject of credible rumors or media reports of inappropriate payments or a silent partner; or
- requests payment disproportionate to the services provided (*e.g.*, an agent who bears financial risks on delivery of goods or performs substantial pre- or post-sales services may be entitled to greater compensation than a pure commission agent/broker).

#### **X. Books and Records**

The Company will maintain books and records that accurately reflect its transactions, use of Company assets, and other similar information, along with a reasonable system of internal controls. Covered Persons must ensure that: (i) gifts, hospitality, and other expenses are properly reported and recorded; (ii) payments made on behalf of the Company are supported by appropriate documentation; (iii) no payments to third parties are made in cash, unless pursuant to proper petty cash disbursements, and (iv) no Covered Person shall create or help to create any documents for the purpose of concealing any improper activity.

#### **XI. Mandatory Reporting**

The success of this Policy in preventing corruption relies on the diligence and commitment of all Covered Persons. Covered Persons must report any suspected violations of this Policy to the Compliance Officer. The Compliance Officer will maintain a log of all inquiries and suspected violations in connection with this Policy.

#### **XII. Training and Certification**

The Compliance Officer will establish and conduct a suitable training program to help effectuate the compliance goals of this Policy, and will maintain records documenting the date and content of the training and names of attendees. In addition, all Covered Persons will be required to sign annual certifications of compliance with this Policy. The Compliance Officer will review this Policy at least annually to ensure it is effective and in accordance with current best practices, and will revise and update this Policy, as necessary.

### **XIII. Safeguards Against Retaliation**

The Company will take no adverse action against Covered Persons who report violations of this Policy honestly and in good faith.

### **XIV. Corporate Acquisitions, Joint Ventures and Other Transactions**

Prior to the Company entering into corporate acquisitions, joint ventures, and similar arrangements, Covered Persons will perform risk-based anti-corruption due diligence on the potential acquisition or transaction as a part of the Company's standard due diligence procedures. For this purpose, the Company shall use the due diligence forms attached at **Annex 1(a)** and **Annex 1(b)**.

### **XV. Questions About This Policy**

If you have any questions regarding: (i) this Policy; (ii) the scope and reach of applicable anti-corruption laws and regulations; (iii) whether a particular payment or gift would be consistent with this Policy; or (iv) anything else, please contact the Compliance Officer.



## Annex 1

### DUE DILIGENCE GUIDELINES

1. The purpose of conducting due diligence on Intermediaries in the context of this Policy is to verify, to the extent reasonably possible, their integrity and past track record in relation to bribery and corruption. The Company shall not enter into any business relationship with any Intermediary, unless and until:
  - (a) a due diligence process has been completed for the Intermediary (as evidenced by a completed due diligence form), and
  - (b) the due diligence process has not revealed activities by the Intermediary which would be inconsistent with the Company's zero tolerance for bribery and corruption.
2. The nature of the due diligence will depend, among other things, on the nature of the relationship with and cooperation of the Intermediary, the availability of public domain information and records on the Intermediary, and, especially, the cultural and political environment in which the Intermediary is operating. For purposes of assessing the cultural and political environment in which an Intermediary is operating, the Company will refer to objective sources of information such as Transparency International (“TI”), which is available at <http://www.transparency.org/> and its most recent 2019 Corruption Perception Index found at <http://www.transparency.org/cpi2019>
3. The due diligence shall be sufficient to enable the Company to complete the due diligence compliance form, a copy of which is set forth in **Annex 1(a)**. This form shall be completed by the sales/marketing person responsible for the potential deal and shall be submitted to the Compliance Officer for his approval, as a condition precedent to the Company entering into any business relationship with the Intermediary.
4. Each Intermediary shall be required to complete the due diligence questionnaire in the form set forth in **Annex 1(b)** to this Policy. A copy of this completed questionnaire shall also be sent to the Compliance Officer.
5. For the avoidance of any doubt, the due diligence process described in this Annex is solely to determine compliance with the Policy, and does not constitute commercial due diligence as to the commercial health and stability of the target person or entity. Such commercial due diligence may need to be conducted separately, in addition to due diligence under this Policy.

**Annex 1(a)**

**DUE DILIGENCE COMPLIANCE FORM**

This due diligence compliance form must be completed by the sales/marketing person responsible for the potential project/transaction. It, along with a completed due diligence questionnaire, should then be sent to the Compliance Officer for review and approval, as evidenced by the signature of the Compliance Officer in the appropriate place at the end of this form, before any binding contract or agreement is signed with the entity or person who is the subject of such due diligence (the "Subject").

**Note:** The confirmations marked below with an asterisk (\*) are mandatory.

**Subject Name:** \_\_\_\_\_

**Related Project:** \_\_\_\_\_

1.\* Please confirm, by writing the word "confirmed" in the space below, that the Company's Policy has been brought to the Subject's attention.

\_\_\_\_\_

2.\* Please confirm, by writing the word "confirmed" in the space below, that the Subject has been made aware that a provision must be inserted in any contract or agreement between the Subject and the Company entitling the Company to terminate such contract/agreement for default if the Subject fails to comply with the Company's Anti-Corruption Policy.

\_\_\_\_\_

3.\* Please confirm, by writing the word "confirmed" in the space below, that the Company's standard clause on bribery and corruption will be included in any draft contract/agreement to be entered into with the Subject.

\_\_\_\_\_

4. Is the Subject known to have any track record of criminal investigations or convictions involving bribery or corruption or other moral turpitude? Please answer in the space below, and, if the answer is "yes," please specify in the space below the relevant dates, and remedial and/or punitive action taken.

---

---

---

5. Does the Subject have a code of business ethics (or equivalent) and/or an anti-corruption compliance program (or equivalent) and/or an anti-corruption manager (or equivalent)? Please answer in the space below, and if the answer is "yes", give details.

---

---

---

6. Please describe how the agent was introduced to the Company

---

---

---

7. Please indicate, with respect to each of the countries involved in the potential project involving the Subject, to what extent bribery and corruption of Government Officials is: (i) rare; (ii) occasional; or (iii) a common practice of the local business culture. Where possible, please refer in this regard to reports and surveys prepared and conducted by internationally reputable organizations such as Transparency International.

---

---

---

8. Have you uncovered any “red flags” or suspicious findings during the due diligence? If yes, please detail these here (the term “red flag” means any activity or incident which raises a concern of inappropriate behavior).

---

---

---

**Signed by** *[here insert name of person responsible for due diligence]*. \_\_\_\_\_

**Date:** \_\_\_\_\_

**Countersigned and approved by the Compliance Officer** \_\_\_\_\_

**Date:** \_\_\_\_\_

## Annex 1(b)

### DUE DILIGENCE QUESTIONNAIRE

**Allot Ltd.** (“Allot” or the “Company”) takes compliance with applicable anti-corruption laws very seriously. To comply with its obligations under these laws, Allot requires its prospective agents, subcontractors, resellers, consultants, representatives, distributors, joint venture partners, customs/import brokers, and other third-party intermediaries with which the Company transacts business, or which are authorized to act in any way on Allot’s behalf, to provide certain information for Allot’s review prior to entering into any agreement with such person or entity.

Accordingly, Allot requests that you please answer all of the questions in the Questionnaire below as fully and accurately as possible.

The purpose of this Questionnaire is to assess, in accordance with industry best practices, your practices and any relationships that could present concerns. In the event that this initial process uncovers any concerns, additional in-depth review may be required.

This Questionnaire should be applied to you (if you conduct business as an individual rather than through a company) and to each company in your group of companies (if your company is part of a group). The usage of the term “Subject” throughout this questionnaire shall refer to and mean the relevant person or company that is the subject of this Questionnaire.

The term “Government Official”, as used in this Questionnaire means any person:

- (a) who is employed by or acting for:
  - (i) a State;
  - (ii) a government of a State (at any level whether it be local or national including any agency or subdivision);
  - (iii) an international or intergovernmental organization;
  - (iv) a political party;
  - (v) an entity owned and/or controlled by a government or a political party;
  - (vi) any entity hired to review or accept bids for a government agency; or
- (b) who is a candidate for a governmental or political office.

Allot requests that you please answer all of the questions below as fully and accurately as possible.

If a question is not applicable, or if you do not know the answer, or if you cannot answer for reasons of confidentiality obligations, please so indicate in your response along with a short explanation. Please note that incomplete or vague responses will result in delays in the review process as follow-ups may need to be conducted.

**1. GENERAL INFORMATION**

- (a) Name of Subject
- (b) Business Address
- (c) Telephone
- (d) Fax
- (e) E-mail
- (f) Identity of Bank, Currency of Account, and Address of Bank

**2. BUSINESS INFORMATION**

- (a) If you are completing this Questionnaire on behalf of a corporate entity or other organization, please provide a copy of your commercial registration and charter documents for the country in which you are incorporated
- (b) Number of employees: (please provide a complete organizational chart)
- (c) Your principal lines of business, including your current products being represented or distributed
- (d) Other locations of business

**3. OWNERSHIP AND MANAGEMENT**

If the Subject is a company, is it publicly held? **Yes/No**

If yes, please attach a copy of the Subject's most recent public filing showing the Subject's shareholders or partners. If this filing does not list major shareholders, please provide the full name of each major shareholder (public and non-public) with their current nationality.

If no, please provide the full name and nationality of each of the Subject's shareholders, directors, officers, and other stakeholders, together with an updated company registrar's printout showing ownership details of the company.

**4. GOVERNMENT RELATIONSHIPS**

- (a) Are the Subject, or any persons (or their family members) identified in response to question 3:

- (i) Current Government Officials **Yes/No.**
- (ii) In a position (formally or informally, directly or indirectly) to exercise influence over the purchasing decisions of any government or government-owned or controlled entity (such as a government-owned company), including by virtue of holding a leadership position in a political party? **Yes/No**
- (b) If the answer to any of (a)(i) through (a)(ii) is yes, provide details, including:
  - (i) The name of the relevant individual, and the full name of the government body, company, or party position.
  - (ii) A description of the individual's official responsibilities.

**5. PAYMENTS TO GOVERNMENT OFFICIALS**

- (a) Have any payments, or anything of value (however small) been made, authorized, promised or offered by or on behalf of the Subject, directly or via any Third Party, to any Government Official with the purpose of directly or indirectly:
  - (i) Obtaining or retaining business;
  - (ii) Expediting or securing the performance of a routine governmental action by such Government Official (e.g., processing any application for a permit or license) in relation to S&B; or
  - (iii) Obtaining government approvals or licenses, or any favorable regulatory action including with respect to environmental, tax and/or customs matters?
- (b) If yes, please provide details.

**6. COMPLIANCE WITH APPLICABLE LAWS**

- (a) Has the Subject been involved in or threatened with any government audit, investigation, enforcement action, or filed any disclosure of an actual or potential violation of any of the following areas: import or export controls, international boycotts, any anti-corruption laws, anti-money laundering, or other applicable criminal laws? **Yes/No**  
  
If yes, describe the action and how the issue was resolved? (fines, settlement, etc.)
- (b) Is the Subject aware of any actual or potential violation by the company, its personnel, or any of its affiliates of any of the areas listed above? **Yes/No**  
  
If yes, please explain.

- (c) Has the Subject, or any present or former owner, director, officer, or senior employee of the Subject, been: (1) suspended from doing business in any capacity anywhere in the world, (2) investigated for or charged with any criminal act, or (3) subject to any allegation of fraud, misrepresentation, bribery, corruption, or other related activities? **If yes, please provide details.**
- (d) Does the Subject comply with all applicable laws on bribery and corruption in its place of incorporation as well as in all other countries in which the Subject conducts business?

**7. ANTI-BRIBERY AND CORRUPTION STEPS TAKEN BY THE COMPANY**

Does the Subject have a code of conduct, a formal anti-bribery and corruption policy and/or a business entertainment/hospitality policy (including travel, seminars or sponsored events) with respect to Government Officials? If yes, please provide a full copy of said policy/ies.

**8. POLITICAL AND/OR CHARITABLE CONTRIBUTIONS**

During the past five (5) years, have any contributions been made by the Subject, or on the Subject's behalf by a Third Party, to any political party, or to any Government Official, or their election campaigns, or to any charity associated with or directed by any of the above? If so, give details and reason for contributions.

**9. USE OF SUBCONTRACTORS OR SUBAGENTS**

Does the Subject intend to use any subcontractors or subagents on work performed for the Company? **Yes/No**

If yes, please provide the following information regarding the subcontractors or subagents:

- (a) name, address and place of registry (if a company);
- (b) A full description of the work that will be performed;
- (c) Ownership structure;
- (d) Whether the subcontractors or subagents have any government relationships (as described 4a and b, above); and
- (e) The extent of related due diligence the Subject performed on subcontractors or subagents.

**10. COMMERCIAL REFERENCES**

Please give at least three references for the Subject. For each, include contact name and telephone, fax, and/or e-mail contact information.



**The answers to this Questionnaire shall be kept in confidence. Allot reserves the right to add additional questions to this Questionnaire at a later date and/or request additional information to any of the answers detailed above.**

**In the event of any change in any of the answers set forth above, you are obliged to notify Allot immediately**

**Name:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

**Title:** \_\_\_\_\_