



# **SIVECO TECHNOLOGY**

## **ANTI-CORRUPTION MANUAL**



## TERMINOLOGY

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No.	Term	Definition
1	See 3.1.1 Helpful definitions	

## ABBREVIATIONS

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No.	Abbreviation	Explanation
1.	GM	General Manager
2.	DHR&GoV	Director Human Resources & Governance
4.	LA	Legal Advisor
5.	FCPA	Foreign Corrupt Practices Act
6.	SIVTEC	SOFTWARE TECHNOLOGY
7.	NGO	Non-profit organisation

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## 1. PURPOSE

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SIVTEC TECHNOLOGY (SIVTEC) SRL is a company founded in 2021, following the division process of SIVTEC Romania SA, by detaching the Development Department – National Projects. Although the company is recently established, its experience is vast and is ensured by taking over all software development activities in specific areas such as agriculture (eAgriculture), security information solutions & cyber-security, Big Data and Analytics solutions, Critical Infrastructure solutions, turn-key software solutions, turn-key integrated software.

The organization is rebuilt on a European model, with unique competence centers and competitive specialists at international level.

We have an ambitious team, composed of the best IT specialists that are trained in more than 3500 large scale projects successfully implemented, serving over 30 millions of users in 27 countries from Europe, Middle East, North Africa and CSI.

Our eAgriculture or Cyber-security projects support the development of society, private and public organizations, contribute to environmental protection, training, elimination of discrimination and the reduction of digital gaps.

The solutions delivered by our team also include professional IT services, including activities such as: analysis, software development, customizations; integration; implementation and training of end users; maintenance and technical support; localization of digital user interfaces.

At the heart of our international expansion is our experience and best practices in software development, implementation and integration, gained in hundreds of projects and hundreds of thousands of hours of work.

We are committed to build solutions to the benefit of people.

Through a consistent involvement in the field of social responsibility from a strategic perspective, sustainability is included in the company's business model itself.

But this is not all. We want to be the best in our industry, in Romania and abroad. But not at any cost. We want to have a workplace where each employee achieves the

highest business and personal standards, and where everyone feels proud of our company and the job which he or she does.

We have a responsible, honest, hard working and customer oriented team. And we give our best every day to maintain these values.

By working as an employee at SIVTEC, you are representing SIVTEC to our customers and everyone else you come into contact with. Each of us is expected to adopt the highest standards of professional and personal behavior and demonstrate Respect, Integrity, Good judgment, Honesty and Trust, which is the Only Way, in all your actions, no matter what the circumstances.

In this respect one of our core guiding principles is “complying with anti-corruptions laws”.

But this principle does not apply only to us. We apply this principle to everyone we do business with, including agents, representatives, partners, consultants, independent contractors and anyone acting on behalf of SIVTEC or working with SIVTEC.

## 2. SCOPE

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This Manual was developed taking into account the Romanian economic context after December 1989, when Romanian economy has evolved towards a market economy, generating new commercial opportunities, new markets, competition, social changes, technological and financial transformations and a step-by-step adoption of EU legislation.

The Manual outlines acceptable and non-acceptable behaviors to ensure compliance with anti-corruption laws, such as the Romanian Anticorruption Laws and any similar applicable laws in the territories we do business in but also the US Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act which we are required to comply with due to our business relationship with partners around the globe.

This means that we have to be fully compliant with all laws, domestic and foreign, prohibiting improper payments, gifts or inducements of any kind to and received from any person, including officials in the private or public sector, customers and suppliers.

## 3. DESCRIPTION

### 3.1. GENERALITIES

#### 3.1.1. Helpful Definitions

- **Bribe:** Anything of value given in an attempt to affect a person's actions or decisions in order to gain or retain a business advantage. Anything of value includes cash or other gifts or courtesies.
- **Corruption:** The misuse of a public office or power for private gain or the misuse of private power in relation to business outside the realm of government.
- **Facilitation payments:** Means a payment, made to a government official to facilitate or expedite a routine, non-discretionary government activity that the official is required to perform as a matter of course.
- **Kickbacks:** The return of a sum already paid as a reward for awarding of furthering business.

#### 3.1.2. What Does 'Anti-Corruption' Mean

Corruption is usually designed to obtain financial benefits or other personal gain.

For example, bribes are intended to influence behavior and at least two people are involved in it: the person who offers bribe and the person who receives bribe. Both actions are considered criminal offences by law.

Bribe can be offered in the form of money, a privilege, an object of value, an advantage, or merely a promise to influence a person in an official or public capacity.

Examples of a bribe may include:

- Offer or receipt of cash in the form of a kickback, loan, fee or reward;
- Giving of aid, donations or voting designed to exert improper influence

SIVTEC strictly prohibits to any employee:

- to promise, offer, give, pay or authorize anyone to give or pay, directly or indirectly, material, financial or other advantage (including but not limited to

gifts, non-business related travel and/or hospitality expenses, charitable donations, sponsorships or employment) to officials in the private or public sector, customers or suppliers;

- to accept or authorize anyone to accept, directly or indirectly, material, financial or other advantage (including but not limited to gifts, non-business related travel and/or hospitality expenses, charitable donations, sponsorships or employment) from officials in the private or public sector, customers or suppliers;

in order to improperly induce or influence a person in a public or private capacity:

- to act or decide for the purpose of promoting SIVTECH'S interest; or
- to act or decide in violation of any official duty; or
- to violate the applicable laws.

The areas of business where corruption, including bribery, can most often occur include:

- Gifts and Hospitality
- Facilitation Payments
- Procurement Process
- Political, Community and Charitable Contributions

### 3.1.2.1 Gifts and Hospitality

In the actions we take in our own name and in the name of the company that we represent we must always keep in mind that we should NOT offer, promise, pay, give or authorize, directly or indirectly, gifts of any value – money, gifts, employment, contracts or benefits of any kind, non-business related travel and/or hospitality expenses – to customers, suppliers or third parties with a view to influence certain official action or to obtain benefits improperly.

Also, we need to make sure that we do not offer, promise, pay, give or authorize valuables to customers, suppliers and third parties (for example, consultants and business partners) which may be perceived as undue benefits or bribery.

When negotiating with government officials, we must pay special attention to laws and regulations that relate to the provision of gifts and hospitality offered to government employees.

A local or foreign government official can be a high-ranking official, employee or any person representing or acting:

- at any government level (federal, provincial, State, municipal or other levels);

- in an entity owned wholly or partially by the State;
- in an international public organization
- in political parties, party officials and candidates in the elections; or
- a person who holds a legislative, administrative, legal or military position.

We should also avoid providing, directly or indirectly, valuables to a third party; even more importantly, we must not do this if we believe that the gifts will be sent to a government official or a trading private partner with a view to obtain benefits improperly.

Gifts and hospitality made or received in the context of commercial courtesy that do not compromise the integrity and reputation of either party are acceptable if they are of low value made in good faith and in compliance with our company policies and applicable laws. Also, we will need to have in mind at all time to avoid conflicts of interest.

Each situation has to be carefully assessed because although two situations may seem the same, particular conditions may indicate what is acceptable and what is not acceptable in each case.

Examples of gifts and hospitality include the receipt or offer of gifts, meals or tokens of appreciation and gratitude, invitations to events, functions, or other social gatherings, in connection with matters related to our business.

In order to define what is acceptable and what is not acceptable in a certain situation we have to determine:

- What is the intent – is it to build a relationship or is it something else?
- How would it look if these details were on the front of a newspaper?
- What if the situation were reversed – would there be a double standard?
- Are family members or friends included in the protocol?

**If you find it difficult to provide a comfortable answer to one of the above questions, ASK your manager or Legal Department.**

However, offering gifts or hospitality are **strictly prohibited**, even if the value is purely symbolic, if:

- you could violate a law, a regulation or an official rule of the organization to which the person concerned belongs;
- the recipient is involved in an active process of procurement or negotiations with our company;



- the gift forms part of an agreement to do or receive something in return;
- the gift can influence the recipient or organization in which the recipient is involved, in any business activities;
- the gift is a cash payment or cash equivalent, such as gift vouchers, coupons, vouchers, loans, shares or stock options, etc.
- the gift has a particular sexual orientation, is offensive, distasteful, or otherwise violates social rules;
- the gift can be considered a bribe;
- the gift can reasonably be interpreted as a reward for preferential treatment, actual or perceived, or create obligations for the other side;
- the gift was solicited or certain behavior reflected that the gift was expected;
- are exaggerated or extravagant;
- are frequent.

### 3.1.2.2 Facilitation Payments

Facilitation payments are NOT allowed.

Examples of Facilitation payments include:

- Permits, licenses, or other documents that allow companies to conduct business in a particular country;
- Processing of visas and work papers;
- Inspections related to transit of goods, for example loading and unloading of cargo.

You should make all reasonable efforts to ensure that third parties acting on our behalf (for example, partners, suppliers, agents, consultants or contractors) are aware of, and comply with this Manual. SIVTEC will NOT reimburse third parties for facilitation payments.

**If you are unsure whether certain payments represent facilitation payments, please contact your Legal Department.**

### 3.1.2.3 Procurement Process

You must follow SIVTEC's processes when you select a supplier. Supplier selection should never be based on receipt of a gift, hospitality or payment.

When supplier selection is a formal, structured invitation for the supply of products or services (often called a 'tender'), it is most important we maintain documentation supporting our internal controls. In the public sector, such a tender process may be required and determined in detail by law to ensure that such competition for the use of public money is open, fair and free from corruption.

A tender process includes a public invitation for other parties to make a proposal, on the understanding that any competition for the relevant contract must be conducted in response to the tender, no parties having the unfair advantage of separate, prior, closed-door negotiations for the contract where a bidding process is open to all qualified bidders and where the sealed bids are in the open for scrutiny and are chosen on the basis of price and quality.

### 3.1.2.4 Political Community and Charitable Contributions. Sponsorships.

You are NOT allowed to make political contributions from SIVTEC's funds. SIVTEC strictly prohibits any direct or indirect contributions in whatever form to political parties, committees or organizations, or to their representatives or candidates.

Charitable contributions are not prohibited as they are a way for each company to act as a good corporate citizen; however, they cannot be used as a way to funnel bribes to officials in the private or public sector, customers or suppliers for the purpose of influencing decisions beyond the limits of legality.

The decision to make any charitable contributions and the selection of any beneficiary charitable organization should be carefully documented, also depending on a proper due diligence on the beneficiary charitable organization.

Contributions made by SIVTEC to community projects or charities need to be made in good faith and in compliance with this Anti-Corruption Manual and all relevant SIVTEC 's policies and procedures.

Please have in mind that any payment to a charitable organization must:

- Not create the appearance of a bribe, kickback or other corrupt practice.
- Never be used to directly procure SIVTEC future business or otherwise be made with the intent to obtain or retain business, secure an improper advantage, or induce anyone to act improperly.
- Be made having in mind that any conflict of interest has to be avoided.

- Avoid being made at the request of an official in the private or public sector, customer or supplier and, if so, properly document if the official in the private or public sector, customer or supplier influence/take the decisions regarding SIVTEC's business development.

Sponsorship refers to any arrangement whereby SIVTEC provides financial support, products, services, or anything of value to a third party (including charitable organizations), in return for the right to associate our image, brand or products with an activity, or to receive some other lawful benefit, such as participation in an event.

Any sponsorship must comply with SIVTEC's Policies and must receive the appropriate approvals.

However, when considering for paying for a sponsorship, you must always have in mind:

- Never provide a sponsorship to improperly influence anyone or obtain an improper advantage.
- Never provide a sponsorship that creates the appearance of a bribe, kickback or other corrupt practice.
- Properly document on the beneficiary charitable organization.
- Ensure that the sponsorship is consistent with our values.
- Record all sponsorship agreements in writing and make the payments to the entity not to an individual.

In general, the adequacy of measures taken to prevent misuse of charitable donations will depend on a risk-based analysis. Some examples include written agreement with the recipient stating the use of funds; steps to ensure that the funds were transferred to a valid bank account; ongoing monitoring of the efficacy of the program etc.

## **3.2. BOOKS, RECORDS AND INTERNAL CONTROL REQUIREMENTS**

Expenses must never be hidden or purposefully misclassified. Many serious global bribery and corruption scenarios are found to involve inaccurate record-keeping.

To prevent this, international anti-corruption laws generally require detailed and accurate accounting records for transactions, including cash and bank accounts. We must ensure we maintain accurate books, records and financial reporting.

We maintain an effective system of internal control and monitoring of our transactions. Certain monitoring controls are identified in our policies, specifically regarding approval of travel expenses. It is your responsibility to be knowledgeable of control procedures and ensure compliance.

Regarding the record keeping, SIVTEC prohibits 3 types of improprieties:

- failure to record all transactions;
- falsification of records to conceal any transactions;
- creation of records that are quantitatively accurate, but may mislead by failing to specify the evaluative aspects of the transaction. Mischaracterization is prohibited as it is a way of falsely recording a transaction into the company's books and records so as to have a different nature, subject or destination than it truly does.

## 3.3. WORKING WITH THIRD PARTIES

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### 3.3.1. General provisions

SIVTEC believes that it is important for third parties (for example, consultants and business partners) to share values and to fully respect applicable law.

We have to ensure that our business partners share the same values and agree and implement practices for:

- compliance with all applicable laws and regulations in force;
- avoidance of giving bribes, rewards or other forms of corruption;
- assumption of responsibility for the health and safety of its own employees;
- respect for human rights for its employees;
- promotion of local sustainable development;
- efforts to ensure that the business is run with due regard for the environment;
- promotion and reflection of our commitment to the quality of work performed.

We also consider it necessary that our clients comply with ethical principles similar to those of SIVTEC.

**Any evidence of violation of the above should be communicated immediately to the decision makers in the company and to the Legal Department.**

We must therefore take these necessary measures:

- to ensure that third parties – for example, consultants and other business partners – comply with the code and our obligations relating to the fight against bribery and corruption;

- to evaluate the qualifications and reputation of our business partners (including the use of a preliminary evaluation report before they enter into such a relationship);
- any proposal contracts include such provisions to protect SIVTEC.

Contract signing is subject to clear terms and conditions and includes the application of anti-corruption clauses, which ensure the third party's commitment to anti-corruption. Detailed description of the work scope and outcomes to be performed by the third party, specific and reasonable budget lines for the work, provision for termination of the contract in the event of suspected corrupt behavior should be included in each contract.

While stipulating the contractual clauses, special attention is paid to phrasing regarding the amounts and compensation paid to the third party so as to avoid kickbacks, which imply the return of a sum already paid or due as a reward for awarding of business. Terms, expressions and syntax used should be very clear, without allowing for misunderstandings in order to elude any possible sum to be paid for any other reason than the provided services.

The contracts signed with third parties should prevent the third parties to delegate their duties to any sub-agent, sub-contractor or representative without prior written consent of SIVTEC.

### 3.3.2. Contractors, Consultants and Providers

Contractors, consultants and suppliers (generally referred to as "subcontractors") working with SIVTEC play an important role in the company's activity.

SIVTEC uses subcontractors to provide services for the implementation of software products, selection of applicants for jobs, provision of hardware and software tools, etc.

Each proposal of partnership with a subcontractor is carefully checked in order to eliminate risks of corruption.

While each proposal for partnership with a subcontractor is evaluated on specific criteria, there are a number of warning signs for which the company's employees must be constantly alert:

- A government official recommended a specific subcontractor to provide a service
- A recommended subcontractor was suspected of making or had made unjustified payments to certain government officials in the past
- The price quoted by a recommended subcontractor is much higher than the market rate, without a reasonable explanation

- A recommended subcontractor refuses to guarantee that it will not take measures against improper payment.
- A recommended subcontractor does not appear to have the necessary resources to perform the services
- A recommended subcontractor requires to be paid through a bank account in another country, or requests other unusual financial arrangements.
- A recommended subcontractor is requesting indirect or unusual billing or payment arrangements (such as, high advance payments)
- A recommended subcontractor is a government official, is controlled by a government official or a government official owns equity in that subcontractor, either directly or indirectly through his relatives up to the second degree.

All agreements with contractors must be continuously updated with contractual provisions to prevent corruption.

### 3.3.3. Commercial Partners and Non Profit Partners (NGOs)

SIVTEC initiates and encourages partnership agreements to participate and to expand the company's activity in national and international markets.

We are careful about selecting and monitoring the activities of our partners because partners can create corruption risks for SIVTEC.

The main risk is when a local partner seeks to engage itself in conduct that is prohibited by the policies of SIVTEC, believing that they can 'play by local rules'.

The policies of SIVTEC **NEVER** allow this approach.

If a local partner makes a prohibited payment, SIVTEC will take steps to terminate the contractual relationship with that partner, because it represents a risk for the company.

Therefore, it is extremely important that SIVTEC knows its existing or potential partner, so that SIVTEC can identify any risk that the partner might engage in activities prohibited by this Manual.

SIVTEC will NOT make or promise any payment to a partner, other than in exchange for legitimate or active services.

Alongside a thorough financial and legal analysis, all potential partners will be analyzed to assess any risk of corruption.

All agreements with contractors must be continually updated with contractual provisions to prevent corruption.

## 3.4. MONEY LAUNDERING

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We must comply with all applicable laws concerning money laundering.

“Money laundering” means the process of hiding the origin of money obtained through crime (the “proceeds of crime”) within lawful business activities.

It also describes the use of any money to fund terrorism.

Anti-money laundering laws help prevent lawful business from being used by criminals to conceal money, and to assist law enforcement agencies to trace and recover the proceeds of crime and terrorist funding.

You must not: participate in acquiring, using, converting, concealing or possessing the proceeds of crime; helping another person to do so; or assisting terrorist financing in any way.

Some clues that may raise concern that a third party may be involved in money laundering or terrorist financing include:

- Providing false or misleading information
- Secrecy concerning the source or ownership of assets
- Connections to countries identified as non-cooperative with international efforts against money laundering or terrorism
- Company address is a P.O. box, not a physical site
- Use of a shell company
- Structuring transactions to avoid reporting requirements
- A request that funds be transferred to an undisclosed third party or in another jurisdiction
- Transactions that do not make obvious commercial sense

**You should immediately consult with your manager or Legal Department if you suspect that SIVTEC is, or risks, participating in a transaction which may involve money laundering or terrorist financing.**

## 3.5. COMPETING FAIRLY. ANTITRUST LEGISLATION AND COMPETITION LAW

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SIVTEC competes for business ethically and in compliance with our policies and the law, no matter how competitive the environment.

SIVTEC sells its products and services on their merits.

We avoid false and misleading statements about competitors, their products, and their services.

The legislation which sets out the antitrust and fair competition rules differ from country to country, but the applicable principles are generally the same.

We cannot engage in discussions and we cannot conclude agreements with competitors who:

- Would fix or control prices, terms or conditions in a specific market;
- Would limit competition or relationships with suppliers;
- Would restrict the export or import of goods supplied by the company;
- Would divide or distribute customers, markets or territories between us and our competitors;
- Would influence resale prices required by our resellers, or
- Would result in sending a false bid to a procurement procedure.

Also:

- We will not try to get information about our competitors through illegal means such as: industrial espionage, corruption, theft or interception of electronic systems;
- We cannot stop a third party engaging in an activity in which we cannot participate ourselves.

## 3.6. TRADE LAWS COMPLIANCE

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### 3.6.1. General Provisions

In fulfilling our duties, we must ensure that laws and regulations regarding the control of exports, customs clearance and anti-boycott laws of the countries where we operate are always observed.

We must also ensure that we comply with the applicable instructions for countries to which economic sanctions have been placed.

The legislation related to export control limits physical or electronic transfer of goods, services, hardware, software or technology outside certain national borders.

Therefore, export controls can be triggered by the activity of exporting or importing from certain countries or organizations.

SIVTEC and third parties who collaborate can be liable for severe penalties if they violate these laws and regulations.

### 3.6.2. Exports

Regardless of your work assignment or location, your actions may have export compliance implications.

Export laws and regulations may affect SIVTEC's transactions, including: intercompany transactions; transactions with third parties, including clients, and suppliers; use of SIVTEC's partners or agents to complete a delivery or provide a service; and any relationship where SIVTEC will be involved with the export, re-export, or delivery anywhere in the world of products, services, and technology.



Export laws and regulations cover more than just physical shipments. They also cover:

- Electronic transfers of, and remote access to, software or technology
- Provision of services over a network, including e-business and e-services
- Design, development and delivery of hardware, software and solutions
- Providing technical specifications and performance requirements to suppliers
- The transfer of personal knowledge (technical assistance)

### 3.6.3. Imports

SIVTEC complies with all import laws, regulations and requirements when engaging in international trade. This includes compliance with obligations made to government agencies when participating in supply chain security and other trusted partnership programs.

### 3.6.4. Anti-boycott

SIVTEC, its subsidiaries and affiliates, and their agents are prohibited from following or supporting a foreign country's boycott of a country which is friendly to Romania.

A foreign country or an entity associated with the country could make such a request in a bid invitation, purchase order or contract, letter of credit, orally in connection with a transaction, or in a number of other ways.

SIVTEC is required to promptly report to the Romanian Government any request to support a boycott or to furnish information regarding a boycott.

Examples of improper boycott requests include requests that we refuse to do business with a certain country, its citizens, or with certain companies who do business with the boycotted country.

## 3.7. WE ARE ALL RESPONSIBLE

SIVTEC takes corruption and bribery very seriously. Any violation of this Manual will be regarded as a serious matter and is likely to result in very serious consequences, consistent with local law.

Bribery is a criminal offense. As an employee you will be accountable whether you pay a bribe yourself or whether you authorize, assist, or conspire with someone else to violate an anti-corruption or anti-bribery law.

Punishment for violating the law are against you as an individual and may include imprisonment, probation, mandated community service and significant monetary fines which will NOT be paid by SIVTEC.

We are all responsible for protecting and enforcing the values presented herein.

### 3.8. QUESTIONS OR HOW TO RAISE A CONCERN

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If you want to ask a question about the requirements in this Manual or are concerned that an anti-corruption violation is occurring or has occurred, report it immediately to one of the following:

- Your Manager
- SIVTEC Legal Department