



ANTI-CORRUPTION COMPLIANCE POLICY OF AUDIOCODES LTD.

1. Anti-Corruption Policy Statement

It is the policy of AudioCodes Ltd. and its subsidiaries (“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. Any questions concerning this Policy should be referred to the Company’s Chief Financial Officer (the “**Compliance Officer**”) or the Chief Legal Officer 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 below) to obtain or retain business, to obtain a commercial advantage, or to receive favored treatment, anywhere in the world.

2. Scope

This Policy is mandatory and applies to all directors, officers and employees of the Company, all contractors who devote all or substantially all of their time to the Company, and Business Associates (as defined below) (collectively, “**Covered Persons**”). Any such designated persons shall be provided with a copy of this Policy and shall certify their compliance with it pursuant to procedures established by the Compliance Officer. 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.

3. 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, whether directly or indirectly, 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, whether directly or indirectly, 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, whether directly or indirectly, 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 inappropriate gifts, educational assistance, unreasonable travel and entertainment expenses, medical care, 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.

4. 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, appointed or under a contract, 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. A Government Official may also include any executive, officer, agent or employee acting in a business (even if privately owned) providing a service to the general public.

5. 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. This Policy prohibits payment even where they have been requested or demanded by a Government Official or if the Government Official threatens adverse action against the Company unless a payment is made.

If a payment is made to protect an individual's health and safety, it should be immediately reported to the Compliance Officer and must be accurately recorded in the Company's books and records to reflect the amount and purpose of the payment. If at all practicable, contact should be made with the Compliance Officer before such a payment is made. If prior consultation is not practicable, the fact of payment and the circumstances should be reported to the Compliance Officer as soon as is practicable thereafter.

6. Gifts, Business Entertainment and Hospitality

Giving and Receiving Gifts

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, Covered Persons must request and obtain prior written approval of the Compliance Officer. 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 is of nominal value and features a Company logo. Any questions regarding whether a gift is appropriate irrespective of value should be directed to the Compliance Officer.

Similarly, Covered Persons must ensure that the decisions they make on behalf of the Company are free from third-party influence. Accordingly, Covered Persons must promptly report any gifts of significant value offered to or received by them to the Compliance Officer, who will assess the propriety of keeping the gift.

The Compliance Officer will determine the threshold values referred to above from time to time and such values will be communicated to the Covered Persons in writing.

Giving and Receiving Hospitality

Covered Persons 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 negotiation, 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. Further, reimbursement of such expenses will be subject to the Company's procedures such as stating the participants and the purpose of the meeting. The Compliance Officer will determine threshold amounts for business entertainment from time to time and such values will be communicated to the Covered Persons in writing. In the event that the estimated cost of certain business entertainment is expected to exceed such estimate, prior written approval from the Compliance Officer is required.

There are occasions in which it may be appropriate for the Company to provide reasonable, bona fide hospitality to customers/potential customers, including Government Officials, such as paying for travel, meals, and business entertainment expenses (i.e., beyond occasional business meals or entertainment covered above). Such hospitality shall require CEO/Compliance Officer written approval in advance and be subject to the following general guidelines:

- All costs incurred for business hospitality shall be supported by a business hospitality form to be submitted to the CEO and the Compliance Officer.
- 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.

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.

7. 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's Compliance Officer. 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. Contributions to political parties or candidates by Covered Persons, acting solely in their personal capacities during their private time, may not involve the use of any Company funds, time, equipment, supplies or facilities.

8. Distributors, Finders, Agents, Consultants and other Third Parties

Should the Company 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 such Business Associates abide by this Policy. Accordingly, this Policy provides for strict controls and due diligence when dealing with Business Associates, and specifically with those who may interact with a Government Official for or on behalf of the Company.

All payments made to a Business Associate must be reasonable in relation to the products sold to, or bona fide services rendered by, such Business Associate to or on behalf of the Company. Payments to a Business Associate should never be made in cash and should be made to the Business Associate's bank account in the country where the services are performed or where the Business Associate's offices are located. No payments shall be made to a Business Associate without detailed invoices that fully and accurately describe the services and expenses incurred.

Furthermore, the Company will conduct risk-based anti-bribery and anti-corruption due diligence prior to the engagement of a Business Associate to ensure that it is a bona fide and legitimate entity, is qualified for the purpose of its engagement, and generally maintains standards consistent with the ethical and reputational standards of the Company. The Company recognizes that corruption risks can vary by location, type of transaction and customer, and, accordingly, this Policy requires enhanced diligence procedures for engaging with Business Associates in circumstances that present a higher perceived risk of corruption. The due diligence will be conducted in accordance with the due diligence guidelines attached to this Policy as **Annex A**.

Information identified and received during the due diligence process will be reviewed by the Finance and/or Accounting Departments, as applicable, and should be maintained by the Finance and/or Accounting Department in a due diligence file regarding the potential Business Associate.

Other appropriate measures to ensure the Company's and Business Associates' compliance with applicable law shall include the insertion of appropriate anti-bribery provisions in contractual agreements with such Business Associates. Prior to the Company entering into corporate acquisitions, joint ventures, and similar arrangements, Covered Persons will perform

risk-based anti-corruption due diligence with respect to the potential transaction as a part of the Company's standard due diligence procedures.

9. "Red Flags"

A "red flag" is a fact pattern, situation, request, or other circumstance that indicates a possible anti-corruption compliance risk. **Annex B** to this Policy includes examples of "red flags", which are illustrative and not exhaustive. In case of doubt whether a certain fact or information known to a Covered Person constitutes a "red flag", please enquire with the Compliance Officer.

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

10. 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, business entertainment, 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.

11. Mandatory Reporting; Safeguards Against Retaliation

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. Covered Persons may also report such suspected violations anonymously, in accordance with the Company's Whistleblower Policy. The Compliance Officer will maintain a log of all inquiries and suspected violations in connection with this Policy.

All such reports may be made in person or by letter, telephone, facsimile, e-mail, or other means and will be treated as confidential, to be used only for the purpose of addressing the specific problem(s) the reports concern. Such reports will be shared with the Company's management, board of directors, and other authorized individuals only on a need-to-know basis. All Covered Persons shall cooperate fully, truthfully, and candidly with any inquiry conducted by or on behalf of the Company. Failure to provide such cooperation may result in disciplinary action, including termination of employment.

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

12. 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 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.

13. Policy Annexes

The Compliance Officer may from time to time amend the Annexes attached to this Policy, in consultation with the Company's external counsel.

14. Questions About This Policy

Please contact the Compliance Officer if you have any questions regarding the scope and reach of applicable anti-corruption laws and regulations, whether a particular payment or gift would be consistent with this Policy or otherwise relating to this Policy.

Annex A

Due Diligence Guidelines

The purpose of conducting due diligence on relevant Business Associates 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 Business Associate, unless and until:

- (a) a due diligence process has been completed for the Business Associates, and
- (b) the due diligence process has not revealed activities by the Business Associate which would be inconsistent with the Company's zero tolerance for bribery and corruption.

The nature of the due diligence will depend, among other things, on the nature of the relationship with and cooperation of the Business Associate, the availability of public domain information and records on the Business Associate, and, especially, the cultural and political environment in which the Business Associate is operating. For purposes of assessing the cultural and political environment in which a Business Associate is operating, the Company will refer to objective sources of information such as Transparency International ("TI"), which is available at <http://www.transparency.org/>.

Basic due diligence is required for screening all potential Business Associates and shall include, at minimum, verification of the corporate registration of the entity, or the expertise of a person, the business address and general corporate history/structure that is publicly available.

Enhanced due diligence is required if any issues of concern or "red flags" are identified in the basic due diligence and for all potential Business Associates in regions which are generally known for corrupt practices, even if basic due diligence does not identify any "red flags" or issues of concern, as determined by the Compliance Officer. Enhanced due diligence shall include, at minimum: (i) the Business Associate's completion of a detailed due diligence questionnaire and provision of relevant information and documents supporting the replies to the questionnaire, and (ii) completion of an internal due diligence questionnaire pertaining to the potential Business Associate by the Covered Person proposing to engage it. The forms of due diligence questionnaires will be determined by the Compliance Officer from time to time, in consultation with the Company's external counsel.

For the avoidance of any doubt, the due diligence process described in the Policy and the forms provided by the Compliance Officer from time to time are solely to determine compliance with the Policy, and do 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 B

Examples of Red Flags

Please note that the following examples are illustrative. This is not an exhaustive list.

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, 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).

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