



# GLOBAL ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

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**Global Compliance**

Revision Date:

May 10, 2024

## UNIVERSAL ELECTRONICS INC.

### GLOBAL ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

#### ***I. OUR GABAC POLICY***

1.1. Global Anti-Bribery and Anti-Corruption Policy (*hereinafter* – “**GABACP**” or “**Policy**”) sets forth commitment to ensure that Universal Electronics Inc. (*hereinafter* – “**UEI**”), including all UEI owned/controlled entities, including Gemstar Technology (Yangzhou) Co., Ltd., Universal Electronics (Yangzhou) Co., Ltd., Gemstar Technology (Qinzhou) Co., Ltd., Guangzhou Universal Electronics (Guangzhou) Service Co., Ltd., Universal Electronics (Mexico) Co., Ltd., Universal Electronics (Vietnam) Co., Ltd. (*hereinafter collectively referred to as* “**Company**” or “**UEI**”), its affiliates, and others acting on UEI’s behalf abide by an Anti-Bribery and Anti-Corruption Laws in countries in which UEI conducts business.

1.2. At UEI, we are committed to the highest standards of ethics and integrity in all our activities. Corrupt / Bribery practices are unacceptable, and UEI takes a zero-tolerance approach to Bribery, Corruption and influence peddling. UEI will not engage in, or otherwise tolerate, any form of Bribery or Corruption through its business dealings with the Public Officials governmental or the Business Partners or any third parties or individuals.

1.3. UEI prohibits any form of Bribery or Corruption, whether involving the Public Officials (or another person at the request, assent or with the acquiescence of the Public Officials) or a private sector company or individual, and whether direct or indirect through any third parties. This means that UEI prohibits giving, offering, promising or receiving Anything of Value, directly or indirectly, by UEI’s employees, agents and representatives, customers or any other third parties (using his own or the Company’s values) with the intent to obtain or maintain business or otherwise secure an improper business advantage for the Company.

1.4. The purpose of this Policy is to ensure compliance with the Anti-Bribery and Anti-Corruption Laws and elaborate and implement effective and efficient measures and controls to to deter, detect, and prevent bribery and corrupt payments or activities.

1.5. In addition, UEI must comply with record-keeping and accounting requirements designed to prevent off-the-book transactions, including kickbacks, bribes and slush funds.

1.6. The Policy prohibits any payment to a third party where the payor “knows” that the third party will use any part of that payment for bribes. This “knowledge” standard imposes a duty upon UEI’s employees and the Business Partners to ensure that they select agents and middlemen who do not have a reputation for making illegal payments or may, for other reasons, be anticipated to make illegal payments. As well it is prohibited from taking a “head-in-the-sand” attitude and from ignoring warning signs that should reasonably alert them of the high probability of the Corruption or Bribery violation. Evidence of a “conscious disregard” or “wilful blindness” of known circumstances that should reasonably alert one to the high probability of violations of the Anti-Bribery and Anti-Corruption Law will constitute “knowledge.” In an effort to comply with the “knowledge” standard,



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UEI requires that all of its Business Partners be subjected to a rigorous due diligence review, discussed in further detail below.

## A. General Rules

The following rules have been established for all employees, directors and agents acting on behalf of UEI, its subsidiaries, ventures and other related entities:

- No unlawful payment or gift of any kind may be promised, offered, authorized or made to any foreign official in order to induce that official to use his or her position to obtain or retain business for UEI or to obtain an improper business advantage.
- Notwithstanding the foregoing, expenditures for meals, entertainment and other normal social amenities spent on foreign officials are permitted, provided they are not extravagant, are related to the promotion of a product or performance of a contract, and are preapproved, in writing, by the Global Compliance Department and (where appropriate) foreign counsel. Keep in mind that even nominal payments or gifts to a foreign official can violate the Anti-Bribery and Anti-Corruption Law or the anti-corruption laws of the recipient's country.
- Each UEI subsidiary, business division, employee and agent involved with foreign business transactions that could raise Bribery and Corruption issues must ensure that "reasonably detailed" books and records are maintained, and structure or participate in a system of internal accounting controls, in order to reflect accurately all transactions and dispositions of assets. These requirements apply with particular force to payments made to foreign agents working on UEI's behalf.
- Each UEI employee and agent involved with foreign business transactions that could raise Bribery and Corruption issues must undergo regular FCPA training, as determined by UEI's management.

## B. Rules for Specific High-Risk Situations

In addition to the guidelines set forth above, there are a number of circumstances in which compliance is especially important.

- **Retaining Agents** - Because the actions of a third party acting as an agent, representative, or consultant of UEI can expose UEI to liability under the Anti-Bribery and Anti-Corruption Law, great care should be taken in the retention of such persons. A sufficient due diligence investigation must be undertaken prior to retention of any agent to ensure that the representative does not intend to engage in any improper practices. Those UEI employees who work with foreign representatives must perform the activities discussed in the "UEI Agent Diligence Program" document, a copy of which is attached. The Agent Diligence Procedures document specifically addresses the vetting, retention and management of foreign agents.
- **Government-Owned Businesses** - In many countries, it is a common practice for government officials to own or operate business enterprises. While the Anti-Bribery and Anti-Corruption



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Law do not prohibit legitimate business relationships with business enterprises owned or controlled by foreign officials, great care must be taken to avoid any association with any such enterprise in circumstances that might constitute an evasion of the Anti-Bribery and Anti-Corruption Law. You are advised to consult the Global Compliance Department if you become aware of such a situation.

- **Joint Ventures** – To the extent that UEI enters into joint projects, joint bids, or other collaborative arrangements (whether or not the creation of a new, separate, jointly owned legal entity or partnership is established), the relationship may be characterized as a joint venture, and UEI may be held liable for corrupt payments made by (or on behalf of) the joint venture, even if UEI does not have a role in the day-to-day control of the venture’s activities. Thus, UEI must obtain representations from and perform due diligence on its joint venture partners and their key employees in order to ensure that no part of the joint venture’s funds will be used for payments that violate the Anti-Bribery and Anti-Corruption Law. Certain due diligence efforts applicable to agents and other intermediaries, as outlined in the “Agent Diligence Procedures” document, may also be appropriate for joint venture partners. UEI employees should consult the Global Compliance Department in order to determine precisely what steps need to be taken in order to conduct appropriate due diligence on potential joint venture partners.
- **Charitable Donations** - It is common for a U.S. company to make donations to foreign charities in countries in which that company is engaging in business in order to create a sense of goodwill with the local population. U.S. authorities have begun to closely scrutinize foreign charitable contributions for violations of the Anti-Bribery and Anti-Corruption Law. Issues of corruption become apparent if a foreign government official responsible for a transaction with a U.S. company also has an interest in or a position with a foreign charity that receives donations from the same company. Given such circumstances, UEI policy requires that Anti-Bribery and Anti-Corruption due diligence be performed on foreign charities prior to making donations to them. Such due diligence includes subjecting charities to a vetting procedure similar to that of agents and joint venture partners, obtaining FCPA certification from the principals of the charity, and following up with and monitoring charities to ensure that UEI’s contributions are used towards their intended charitable purpose. UEI employees must consult the UEI Legal Department in order to determine precisely what steps need to be taken in order to vet a foreign recipient of a charitable contribution from the Company.

## 2. SCOPE

2.1. This Policy applies to all employees, officers, directors and Business Partners of UEI and Company.

2.2. UEI will develop and implement, as an integrated part of this Policy, a Business Partners Code of Conduct, imposing obligations on and defining guiding principles for Business Partners to deter, detect, and prevent bribery and corrupt payments or activities.



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2.3. The Business Partners should, as a part of UEI Due diligence process, acknowledge and make a commitment to follow Anti-Bribery and Anti-Corruption rules and principals stated in the Business Partners Code of Conduct.

### **3. Compliance Elements**

3.1. Our Anti-Bribery and Anti-Corruption program consists of the following elements:

- TONE AT THE TOP & GABAC ACCOUNTABILITY
- POLICIES AND PROCEDURES
- TRAINING AND AWARENESS
- RECRUITMENT, VETTING, & PERFORMANCE MANAGEMENT
- CONFLICT OF INTERESTS
- GIFTS, ENTERTAINMENT AND HOSPITALITY
- CHARITABLE & POLITICAL CONTRIBUTIONS & SPONSORSHIPS
- REPORTING CORPORATE WRONGDOING. WHISTLE-BLOWING AND CORPORATE INVESTIGATION
- THIRD PARTIES DUE DILIGENCE
- RISK ASSESSMENT
- INTERNAL CONTROLS
- AUDITS AND REVIEWS
- ANTICORRUPTION CLAUSE

3.2. Identification of weaknesses and required improvements are an inevitable and on-going part of our Anti-Bribery and Anti-Corruption program. Therefore, UEI's Bribery and Corruption Risk Assessment is undertaken by the Global Compliance Team at annually, and repeated in the event that any material change in the nature of the Company's business is undertaken.

### **4. BRIBERY AND CORRUPTION RED FLAGS**

4.1. Corrupt and bribery payments can sometimes be concealed as bona fide expenditure and detection of an illegal nature of such operations or transactions can be done on the final stage of such



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crime, or in worst case scenario never detected, causing harmful consequences to UEI, our Business Partners, our customers, society or industry.

Fact, event, or set of circumstances, or other information may directly or indirectly indicate a potential Bribery and/or Corruption practices or unethical business conduct. Proper and timely detection of such Red Flag can prevent or minimize negative consequences of such illicit activities. Despite that Red flags are not in themselves proof of Bribery or Corruption but any of the below mentioned Red Flags should alert UEI's employees and/or the Business Partners that further scrutiny must be applied to the facts of the case. Red flags must be evaluated to understand any actual risks, any reasonable resolution or measures which must be implemented to mitigate a risk.

#### 4.2. The examples of Red Flags (not exhaustive):

- Promising, giving, being promised or given something of value in return for approving a contract, (e.g., expensive sports or other events tickets in exchange for an approval or returning a favour by setting up a business opportunity).
- Requests for political or charitable donations to an entity associated with a particular individual.
- Requests for free products or services that benefit a particular individual.
- Gifts and entertainment, including business meals, provided to the Public Officials or their related parties or Business Partners prior to or during business negotiations and interactions.
- Any unwillingness by Business Partners to adhere to Anti-Bribery and Anti-Corruption Law where applicable.
- A Public Official's recommendation to UEI of Business Partner with which the official has a close relationship.
- Undocumented payments or payments for goods or services that cannot be substantiated.
- Unqualified or inexperienced Business Partners or any third parties engaged into fulfilment of contractual obligations.
- Excessive or unusual payment requests (e.g., one single invoice amount being requested to be paid to multiple entities or individuals based in several countries, a request for an invoice to be paid to another entity or individual, payments in cash)
- Business Partner has a close family relationship to a Public Official or is closely associated with a Public Official.



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- Rumour or suggestion that a Business Partner or beneficial owner is engaged in illicit activities or unethical conduct.
- Business Party makes large or frequent political contributions, political or charitable donations.
- Failure to cooperate with the due diligence assessment or refusal to answer questions or make representations and warranties.
- Excessive or unusually high compensation or contract value.
- Contract, supporting documents, Invoices vaguely describe the services/works/goods provided or lack detail.
- Business Party lacks the staff, facilities, or expertise to perform substantial work.
- Business Party lacks relevant industry/technical experience or a confirmed record with the product, service, field or industry
- Business Party does not have in place an adequate anticorruption program or code of conduct or refuses to adopt one.
- Business Party refuses to sign Business Party Code of Conduct.

## 5. DEFINITIONS

**Anti-Bribery and Anti-Corruption Laws** - refers to international and local laws that collectively prohibit Bribery and Corruption, including but not limited to the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act, The Brazilian Anti-Bribery Law, the Mexican Federal Criminal Code and the National Code of Criminal Procedures, the People's Republic of China Criminal Law as well as other local laws. These laws commonly require an organization to have an adequate system of internal financial controls, and to keep accurate and detailed books and records. Violation of these laws may give rise to criminal offenses punishable by fines and imprisonment, and individual liability may extend to those planning, carrying out or condoning prohibited acts.

**Anything of Value** - includes cash, money, goods and services, including consulting agreements, travel, hospitality, meals, favours, entertainment, donations, gifts, or anything that confers a personal benefit.

**Business Partner** - Any third-party that enters into any contract with UEI, including but not limited to Direct Supplier, Indirect Supplier, Service Providers, Downstream Companies, Upstream Companies, Business Partner's Authorized Representative, Business Partner's counterparty providing any Services



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or material intended for Finished Goods or non-finished goods, subcontractors, and Authorized Representative.

**Bribery** - directly or indirectly paying, promising, giving, offering, or authorizing to give anything of value to a foreign official or government employee or representative of a commercial entity for the purpose of influencing that person to misuse his or her position (to perform, hide or delay an official act within the scope of his or her duties) to influence any act or decision to obtain any improper advantage to obtain or retain business. It is not necessary for the corrupt act to be completed to violate this Policy and anti-corruption laws.

**Corruption** - is dishonest and fraudulent conduct by those in power in abuse of public or private office for personal gain, typically involving Bribery, Kickbacks, and/or Conflicts of interest.

**ESG** - Environmental, social and governance refers to a collection of corporate performance evaluation criteria that assess the robustness of a company's governance mechanisms and its ability to effectively manage its environmental and social impacts.

**Facilitation Payments** - also known as "speed money" or "grease payments" are small, infrequent payments to a government employee made to secure or expedite routine, nondiscretionary governmental actions to which one is legally entitled, such as work permits and visas, custom clearance, product registration, or inspections. UEI prohibits the making of facilitation payments by any and all persons or entities in scope of this Policy. Under extreme circumstances where an associate's health or safety is threatened, a payment may have to be made to a government employee. Under these circumstances, the associate must promptly contact Global Compliance Department, in order to document and record the payment as a facilitation payment or as otherwise appropriate. The Law Department will ask for additional information, including a description of the health or safety threat.

**Public Officials (State Functionary)** refers to:

- (a) *any elected or appointed official or employee of a government or government department, government agency, or of a company owned or partially owned by a government;*
- (b) *any elected or appointed officers or employees of public international organizations (e.g., United Nations);*
- (c) *any person acting in an official capacity for or on behalf of a government or an government department, government agency, government-owned entity, or of a public international organization;*
- (d) *any person who, even on a temporary basis or without remuneration, renders services in governmental agencies or entities, and carries out a public function, job or office;*
- (e) *entities that manage federal economic resources;*
- (f) *organisations or entities that have been assimilated to majority state-owned companies; public trusts;*



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- (g) any member of a royal family or member of the military;
- (h) politicians and candidates for a political office; or
- (i) any other person who is considered to be a public official according to applicable laws, regulations and industry codes.

**Kickback** - any money, fee, commission, credit, gift, gratuity, thing of value, loan, entertainment, service, or compensation of any kind that is provided in exchange for a favour, regardless of whether business related or not. Kickbacks are a type of bribe where the two parties are in collusion so that each party gains from the exchange.

**Third Party Representative** - refers to those who are authorized to act for or on behalf of UEI, and may include distributors, subcontractors, regulatory agents, advisors, consultants, organizations, agents, custom brokers and contract manufacturing organizations.

## **6. TONE AT THE TOP & GABAC POLICY ACCOUNTABILITY**

6.1. The Board of Directors should demonstrate visible and active commitment towards the implementation of the Compliance Elements stated in Article 3 of the GABAC Policy, cascaded down to all employees. The GABAC Policy and relevant Anti-Bribery and Anti-Corruption procedures, regulations and instructions should be communicated clearly and effectively throughout the organization. The Board of Directors should provide ongoing oversight of the the Compliance Elements including through review of related management information (MI).

## **7. POLICIES AND PROCEDURES**

7.1. Policies and procedures establish an overall tone for the Company and impact the day-to-day operations. Adopting a code of conduct, formalizing policies and procedures, widely disseminating these policies, conducting awareness training, and establishing the overall internal control systems and the controls focused on Bribery and Corruption are key elements to successful tone setting.

### **❖ Code of Conduct**

The Code of Conduct sets UEI values and provides the compass that guides employees in their daily actions including as it relates to compliance with regulatory requirements and exercising ethical judgments. The Code of Conduct is approved by the Board of Directors.

### **❖ Global Anti-Bribery and Anti-Corruption Policy**

The Policy contains a clear and unambiguous statement of the Company's position that both governmental and commercial Bribery and Corruption on any scale or level are not tolerated. The Policy also describes the Company's commitment to accuracy in reporting and recording transactions and having internal controls to ensure proper control, accountability, and safeguarding of assets.





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The Policy prohibits activity and certain high-risk areas, including:

- Bribery of Public Officials.
- Commercial bribery and other corrupt activities undertaken for financial or other gain.
- Misreporting and concealment in the accounting records of Bribery and Corruption and other improper acts.
- Use of third-party agents, consultants, and other intermediaries in potential Bribery and Corruption schemes.
- Charitable giving and community payments.
- Cash, petty cash, and certain vendor disbursements.

❖ Whistleblowing and Corporate Investigation Procedure

Whistleblowing allows the detection of Bribery and Corruption, human rights failures, environmental and conflict minerals or other matters of concern that might otherwise remain hidden. In all cases, the Whistleblowing Policy should clarify wilful blindness is equivalent to actual knowledge.

The employees and Business Partners are obliged to report any conduct that is inconsistent with the Company's ethical standards and principles including potential human rights violations such as slavery or compulsory labour whether by customers or third parties acting on the organization's behalf.

- ❖ *Gifts, Entertainment and Hospitality Procedure*
- ❖ *Conflict of Interest Procedure*
- ❖ *Due Diligence Procedure*
- ❖ *Anti-Bribery and Anti-Corruption Contract Provisions*

In addition the Company developed Business Partners Code of Conduct that declare and regulate the Business Partners duties regarding ESG issues.

## **8. TRAINING AND AWARENESS**

8.1. Anti-corruption legislation is complex, and employees need an appropriately qualified resource to turn to for support and guidance. The Code of Conduct, Anti-Bribery and Anti-Corruption Policy, and other procedures must be disseminated widely within the Company.

Formal and informal communications, along with training, reinforce management's message. A lack of reinforcement of the Company's policies, procedures, reporting protocols, and Bribery and Corruption risks exposes the Company to employees, vendors, customers, and other stakeholders not knowing what is considered acceptable behaviour or how to effectively report suspected improper activities.

8.2. The training should clearly articulate the Company's zero tolerance to Bribery and Corruption and explain the key policies and procedures applied and enforce employee's duty to report any questionable conduct.

The Company implements the following critical components of an organization's ABAC training program:



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- Overview of the company's code of conduct and GABAC Policy.
- Overview of the relevant Anti-Bribery and Anti-Corruption Laws.
- Explanation of the importance of ABAC and potential implications, both for the Company as a whole and for individuals.
- Protocol and channels for reporting potential Corporate Wrongdoings, questions, and concerns.
- Contact information for Global Compliance Department, the ABAC Champion, relevant Committee, or responsible member(s) of Board of Directors.
- Policies and procedures around gifts and entertainment, and rules around charitable contributions, donations, and sponsorships.
- Real-life examples relative to the organization's business and practical instruction on how to handle those issues
- Real-life examples of ethical dilemmas relative to the organization and how to make the right judgement

8.3. The ABAC training should be delivered to targeted departments based on areas of responsibility (e.g. Finance, Accounting, Procurement).

8.4. The training should be extended to all employees including trainees and temporary workers. No one should be excluded from the scope of training including upper management and Board members. The Company will also deliver trainings (face-to-face, online or paper) to the Compliance High Risk Business Partners.

8.5. Each employee who could potentially interface with Public Officials or entities is required to review and sign a representation to UEI that they understand the requirements of the Anti-Bribery and Anti-Corruption law and this Policy.

## 9. RECRUITMENT, VETTING, & PERFORMANCE MANAGEMENT

9.1. Human resources can support the Board and senior management in embedding a culture of integrity across the Company. In essence, procedures on recruitment, performance evaluation, remuneration, and promotion should reflect commitment against corrupt practices which is a key enforcement tool.

9.2. The Company developed and implemented rules and controls to ensure its recruitment process is merit-based and fair, free from Bribery and Corruption and respects human rights.



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9.3. The Company should conduct appropriate due diligence on potential employees on a risk-based approach, taking into account the Compliance risk (including but not limited to, previous employment checks, credit checks and basic criminal records checks).

9.4. The Company is hiring people who align with our purpose and values as we strive to foster the appropriate Company culture, recognizing that recruiting is a critical element to creating the right culture.

9.5. The Company is encouraged to review their remuneration schemes to integrate cultural and behavioural metrics into performance scorecards. For example, the organization may consider balanced scorecards for employee performance management that evaluate both the “what” and the “how.”

9.6. When appraising integrity performance, UEI considers:

- Evidence of positive attitude, commitment and knowledge;
- How the employee demonstrates his/her knowledge of the Code of Conduct, how s/he has attended and performed in training, his/her knowledge of the employee handbook and evidence that the employee has acted with integrity in all aspects of work;
- How the employee has dealt with bribery incidents, if any;
- Whether the employee has shown evidence or interest in continuous improvement in all areas including that of the Anti-Bribery and Anti-Corruption program. This would be important for functions at high risk of bribery such as procurement, contracting and marketing.

9.7. Directors and employees are required to attest when they first join the Company and then annually, that they have read, understood and will observe the requirements of the Code of Conduct or business conduct guidelines and in particular, this Policy.

9.8. Any breach of the GABAC Policy will be dealt with under the review and disciplinary procedure. Gross misconduct may lead to summary dismissal with termination of the employee’s employment.

## **10. GIFTS, ENTERTAINMENT AND HOSPITALITY**

10.1. It may be permissible under this Policy to offer or pay for reasonable expenditures, such as travel and lodging expenses of a foreign official, if such expenses are directly related to the promotion or demonstration of products or services, or to the execution or performance of a contract with a foreign government or agency.

However, even a nominal payment or gift to a foreign official may amount to a violation of the Anti-Bribery and Anti-Corruption Laws if provided for corrupt purposes.

10.2. All the gifts, hospitality and entertainments should be provided to the Business Partners only under the following conditions:



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a) *Bona fide*

Made for the right and legal reason (is given clearly as an act of appreciation, for a bona fide business purpose).

b) *No obligation*

*The activity will not create any obligation or expectation on the recipient.*

c) *No undue influence*

The expenditure will not be seen as intended for, or capable of, achieving undue influence in relation to a business transaction or public policy engagement.

d) *Made openly*

It will not be performed in secret and be undocumented.

e) *Legality*

It is compliant with relevant laws.

f) *Proportionate*

The value and nature of the expenditure is not disproportionate to the occasion.

g) *Conforms to UEI Rules*

The gift, entertainment, hospitality or reimbursement of expenses will meet the rules or code of conduct of the recipient's organization.

h) *Infrequent*

The giving or receiving of gifts, entertainment and hospitality is not overly frequent between the giver and the recipient.

10.3. The giving or receiving of gifts, entertainment and hospitality must be consulted by the Global Compliance Team before paying or offering to pay travel or their expenditures of foreign officials. In several countries, there are laws or regulations that limit or prohibit gifts or expense reimbursements for certain public officials. Therefore, foreign counsel may also need to be consulted with regard to these matters.

10.4. Payments to the Public Officials that are permitted under the written laws and regulations of the recipient's country are permitted under the Anti-Bribery and Anti-Corruption Laws. As a practical



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matter, however, it is highly unlikely that any country in which UEI does business would permit a payment to a foreign official in exchange for business. Thus, UEI and its employees, agents and other representatives are strictly prohibited—as a matter of UEI policy—from offering or making payments pursuant to this FCPA exception.

10.5. All giving or receiving of gifts, entertainment and hospitality must be properly reflected in the Company's book records and reconciled accordingly.

## **11. CHARITABLE & POLITICAL CONTRIBUTIONS & SPONSORSHIPS**

11.1. The ABAC program should develop a policy, controls and procedures to supervise political and charitable donations.

11.2. Such policies and procedures should provide for the following at the minimum:

- Under all circumstances, comply with applicable regulatory requirements.
- Require that political and charitable donations are never made in cash and should always be registered in the organization's books and records.
- Provide for public disclosure of political and charitable donations, such as on the organization's website or in its annual report.
- All charitable and political contributions on behalf of the Company should be subject to appropriate due diligence.
- Require prior approval of Senior Management for any political or charitable donation.
- Require additional scrutiny to contributions to political or charitable organizations in which prominent political figures, or their close relatives, friends and business partners are involved.

11.3. Accurate books and records to contributions should be maintained as well as the relevant pre-approval which are in line with internal policies. Generally, the below information is required while recording contributions:

- Confirmation of the necessary approvals;
- Full name, of the beneficiary;
- Registered address of the beneficiary (i.e. city and country);
- Major connected parties;
- Principal place of operations of the beneficiary;
- Beneficiary registration number;
- Settlement account;
- Amount of contribution;
- Description of contributions; and
- Business rationale.

11.4. The Company should also maintain full records on the due diligence conducted on the beneficiary including named screening and negative media search results. The scope of due diligence



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would also include natural persons owning / controlling the beneficiary (where the beneficiary in an entity), e.g. members of the management body, authorized signatories, and owners.

## **12. REPORTING CORPORATE WRONGDOING**

12.1. UEI has established a confidential reporting mechanism for the UEI Representatives, former employees, customers, and third parties who observe acts that may be in violation of this Policy. Any transaction, no matter how seemingly insignificant, that might give rise to a violation of the Anti-Bribery and/or Anti-Corruption Laws must promptly be reported via the UEI Ethics Line.

12.2. All such reports will be treated as confidential, to be used only for the purpose of addressing the specific problem. Such reports will be shared by UEI management and other authorized individuals only on a need-to-know basis.

12.3. UEI will take no adverse action against any person who makes such a report as long as a report is made honestly and in good faith, even if these turn out not to be true.

12.4. Employees and counterparties must note, however, that failure to report known or suspected wrongdoing of which an employee or counterparties have knowledge may, by itself, subject that employee to disciplinary action or termination an agreement with such counterparties.

12.5. UEI employees (and others) may report actual or potential Anti-Bribery and/or Anti-Corruption Laws violations on an anonymous basis through Ethics Line at [ethicsline.uei.com](https://ethicsline.uei.com),

12.6. A retaliation of a whistleblower is not acceptable and all such cases should be properly escalated to the Board of Directors. Any instances of retaliation will be taken seriously and managed by the Board of Directors appropriately.

Retaliation means any act of discrimination, reprisal, harassment, or vengeance recommended, threatened, or taken against a whistleblower by other staff members because the whistleblower has made a disclosure of misconduct.

12.7. The whistleblower does not need to provide actual evidence of the concerns raised as long as the issues are raised in good faith.

12.8. The Company records the number of whistleblowing disclosures they receive and their nature, maintain records of the date and content of feedback provided to whistleblowers and conduct regular surveys to ascertain the satisfaction of whistleblowers.

12.9. The Company provides ongoing guidance (through training or awareness messages) or how to address ethical dilemmas and identify questionable conduct.

12.10. Complaints that affect customers, members of the public, or the organization and personal grievances, regarding personal poor treatment, are subject to a separate complaints procedure.



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### **13. CORPORATE INVESTIGATION**

13.1. All reports are acknowledged, recorded and investigated without undue delay, provided that the report is considered to be made in good faith (namely, a sincere belief that the disclosure is true).

13.2. The whistleblower will be kept updated on the progress of the investigation, including about timeline and outcome of the investigation, according to his request by means of Ethics Line page, declared in the process of wrongdoing reporting.

13.3. An Investigator is assigned based on the nature of the concern (Corporate Wrongdoing), expertise and available resources. The investigation team will typically be from the Global Compliance Team, Internal Audit, HR, Procurement, individuals from the same function etc. – provided there are no conflicts of interest and independence can be maintained.

13.4. An internal investigation of Corporate Wrongdoing will take the following stages:

- Issue or Concern Raised
- Reporter Interviewed
- Investigator Assigned
- Investigation Plan
- Document Review
- Final Case Report
- Corrective and Disciplinary Actions

### **14. THIRD PARTIES**

14.1. Misconduct by a Business Partner may result in fines, penalties, and reputational damage to UEI. UEI is committed to operating ethically and with integrity and expects our Business Partners to do the same. Therefore, the selection, engagement, and retention of Business Partners must be done knowingly, carefully, and with awareness of risk.

14.2. UEI will not deal with third parties known or reasonably suspected to be paying or receiving Bribe/Corruption, involved in human rights violations, or otherwise illicit activities.

14.3. UEI elaborated and implemented an effective and efficient due diligence procedure to third parties including name screening, integrity, and corruption checks; no new third parties may be dealt with unless they have passed due diligence reviews. All findings, due diligence take on assessments, remedial actions and results of the due diligence process are properly recorded, documented and reviewed on the regular basis by the Senior Management.

14.4. To determine whether a prospective Business Partner is likely to operate with integrity, UEI conducts a risk-based assessment. The responsibility for completing Due Diligence on a Business Partner rests with everyone who engages with an outside vendor but ultimate accountability rests with Global Sourcing.



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14.5. All High risk Business Partners are properly reviewed and approved by Senior Management according to risk level approval matrix. Existing third parties are subjected to reasonable and proportionate monitoring including appropriate due diligence on the reputation and the capacity of the third party whereas negative events may occur after the contracting phase.

14.6. The Business Partner's remuneration shall not be paid in cash and shall only be paid in:

- (i) the country of incorporation of the third party,
- (ii) the country where its headquarters are located,
- (iii) its country of residence, or
- (iv) the country where the contractual obligations are executed.

14.7. UEI maintains adequate control over the relationship with third parties and in particular maintains a record of the names, terms of engagement and payments to third parties retained by the organization. This record is available for inspection and review by the organization's internal audit function.

14.8. All agreements with Business Partners impose commitments to fully comply with laws and regulation, including Anti-Bribery and Anti-Corruption as well as respect to human rights and contains right to immediately exist any contractual arrangement in case of violations of abovementioned laws and regulations.

As an integrated part of due diligence process UEI conducts, according to risk exposure, initial due diligence and enhance due diligence.

## **15. RISK ASSESSMENT**

15.1. In order to support the effectiveness of the ABAC control framework and elements, the identification and assessment of Bribery and Corruption risks is very essential. The aim of the Anti-Bribery and Anti-Corruption risk assessment is to assess the control environment to mitigate Bribery and Corruption risk.

15.2. The risk assessment entails four basic elements:

- A review of the Company's business processes to identify and understand its most significant Bribery and Corruption risks;
- A review of the current state of the Company's current Anti-Bribery and Anti-Corruption program/elements;
- A "gap analysis" of the current program versus the anti-corruption risks identified; and
- Recommendations for improvement to the Compliance program based on common and leading practices.

15.3. Conducting the Risk Assessment





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The principal activities in the risk assessment are:

- Conducting interviews of selected officers and employees.
- Obtaining and reviewing documents, financial and other evidentiary matter.
- Reviewing or testing transactions to further understand or clarify issues.
- Reporting the results to senior management and the Board, usually by a written findings and recommendations report.

#### 15.4. Risk Assessment Scope

The risk assessment exercise covers the various inputs under each business, including but not limited to:

- Third Parties including Suppliers, advisers, consultants;
- Politically Exposed Persons (PEPs);
- Offshore Companies;
- Government Interactions;
- Mergers & Acquisitions;
- Charitable Donations and Fundraising;
- Gifts & Business Entertainment;
- Employee Risk;
- Procurement Risk;
- Services/Products Risk;
- Customer Risk;
- Organization Risk;
- Country Risk;
- Client/Project Type or Business activity
- Sector Risk;
- Internal hiring, staff remuneration and training.

15.5. Risk assessments should be reviewed and updated regularly as internal and external bribery and corruption risks evolve. Changes to risk assessments can be triggered by the approval of new products or businesses or new legal or regulatory developments.



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15.6. Periodic reviews can be undertaken on a semi-annual basis to assess the effectiveness and efficiency of the existing risk assessment process.

## 16. INTERNAL CONTROLS

16.1. Internal controls are generally designed to provide reasonable assurance that operations are effective, financial reporting is reliable, and the entity is compliant with laws and regulations. Examples of internal controls include segregation of duties, authorization of transaction, records retention, supervision of operations, physical safeguards, and information technology security.

16.2. As it relates specifically ABAC, the Company needs to ensure the following at the minimum:

- The organization’s policy should utterly prohibit the maintenance of undisclosed or unrecorded funds or assets for any purpose and records that disguise or misrepresent any aspect of a transaction.
- Each transaction and disposition of assets the organization must have proper authorization, must be timely recorded, must be accurately recorded in terms of amount, accounting period and accounting classification and must accurately reflect the substance and purpose of the transaction.
- The organization should ensure no transaction shall be entered into that requires or contemplates the making of false or fictitious entries or records in whole or in part. No accounting balances shall be created or maintained that have no documentary support or that have no reasonable basis in fact.
- Accounting and recordkeeping practices should be subject to regular audits to verify compliance.

16.3. UEI is requires, as a company registered with the U.S. Securities and Exchange Commission to maintain “reasonably detailed” books and records, as well as a system of internal accounting controls, in order to reflect accurately all transactions and dispositions of assets.

“Reasonable detail” is defined to mean “such level of detail and degree of assurance as would satisfy prudent officials in the conduct of their own affairs.”

There is no “materiality” standard under the Anti-Bribery and Anti-Corruption Law, and each division and subsidiary must have reasonable record-keeping and accounting controls for all payments, not merely sums that would be deemed material in other contexts. The record-keeping provisions apply to both domestic and foreign operations, and are meant to include domestic reporting and disclosure practices as well as those involved in foreign payments.

16.4. A system of internal accounting controls should enable UEI to identify any irregularities in its accounts and could serve to alert UEI that Business Partner has engaged in a violation of the antibribery and/or anticorruption provisions.



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## **17. ONGOING MONITORING & REPORTING**

17.1. Ongoing monitoring is essential to ensure the Anti-Bribery and Anti-Corruption measures continues to operate as intended and effectively mitigates any evolving Bribery and Corruption risks.

17.2. The activities for monitoring and review are integrated within the existing role and responsibilities of the Global Compliance function, ABAC champions, Committee, or the Board of Directors.

17.3. The persons stated in Item 17.2. above is responsible for the following:

- Ensure that the processes mitigating bribery and corruption are followed by all Business units.
- Gather and analyse feedback from business units regarding the implementation of policies and procedures, breaches or gaps encountered.
- Review and report Management Information periodically and trend information to Senior Management and the Board.

17.4. Appropriate reporting through meaningful Management Information is required to support Senior Management in mitigating Bribery and Corruption risk. Sufficient Management Information should enable Senior Management and the Board of Directors to fulfill their functions by including an overview of the bribery and corruption risks faced by the organization, existence and effectiveness of systems and controls to mitigate those risks and legal and regulatory developments.

17.5. Management Information essential for appropriate oversight of the ABAC Program may include but not limited to:

- Volume of internal staff bribery and corruption investigation
- Hiring practices
- Rate of ABAC trainings completion
- Number of new associated persons accepted and number declined, number of red flags raised
- Number and value of gift and hospitalities received and provided
- Percentage of employee salary received as bonus payment
- Number of reported breaches, and
- Analysis of the whistle-blowing trend.

## **18. AUDITS AND REVIEWS**

18.1. The GABAC Policy and other key documentation should be subject to review by the Committee on an annual basis. These should also be reviewed on an ad hoc basis when any material business change may be identified. The impact of such changes should be determined on case-by-case basis



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through consultation between the Committee and the business lines, with any remedial action being taken forwards as necessary.

18.2. The GABAC Program should also be subjected to ongoing review and validation by the internal audit function. The following table outlines recommended scope of review:

## **19. PENALTIES AND ENFORCEMENT TRENDS**

19.1. The consequences of violating the Anti-Bribery and Anti-Corruption Law are serious. Violation of the Anti-Bribery and Anti-Corruption Law can result in substantial fines for UEI and could subject those involved to prosecution, criminal fines and imprisonment. These penalties are in addition to disciplinary action that UEI may take, which can include dismissal.

Furthermore, the Anti-Bribery and Anti-Corruption Law states specifically that fines and penalties imposed upon individuals may not be paid (directly or indirectly) by the entity for which they have acted. Thus, by law, employees and the Business Parties found to have violated the Anti-Bribery and Anti-Corruption Law will be personally liable for any penalties.

19.2. Violations of the anti-bribery provision of the Anti-Bribery and Anti-Corruption Law, particularly FCPA, can result in fines up to \$2 million for an organization and up to \$100,000 and 5 years imprisonment for an individual found guilty. Additionally, punishments for individuals who wilfully violate the accounting provisions of the FCPA can include fines up to \$5 million and imprisonment for up to 20 years. Companies who violate the Accounting Provision can face up to \$25 million in fines.

In addition to civil and criminal penalties, a person or company found in violation of the FCPA can lose export privileges and may be precluded from doing business with the U.S. government.

Fines levied against individuals cannot be paid (or reimbursed) by an employer or principal.

## **20. ENFORCEMENT AND DISCIPLINE**

20.1. Any associate who knowingly violates any law related to Corruption and Bribery practices, or who violates any related UEI policy or procedure may be subject to appropriate disciplinary action by their employing entity, up to and including termination in accordance with applicable laws.

20.2. Any associate who is aware of another associate's violation of such laws, policies, or procedures, and does not timely report that violation, may also be subject to appropriate disciplinary action.

20.3. If an associate is involved in a violation, factors such as whether the Associate reported the violation and the degree of cooperation displayed in any related investigation may be given consideration when possible corrective action is considered.

## **21. IMPLEMENTATION AND MONITORING**



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21.1. The VP Compliance Officer is responsible for issuing and updating this Policy and related guidelines, ensuring the effectiveness of this Policy in collaboration with management, and implementing regular training programs and certification procedures as appropriate. The Global Director of Compliance and Ethics and Global Compliance team are responsible for monitoring the Company's compliance with the Anti-Bribery and Anti-Corruption Law and this Policy.

## Revision History

No.	Description	Revision Date
1	Initial release	November 10, 2023
2	Revision	May 5, 2024