

Policy Title	Anti-Corruption Policy
Policy Owner	Human Resources
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Applicable Attachments	N/A

Xactly Corporation, including each of its direct and indirect subsidiaries (collectively, “Xactly”), is dedicated to fostering and maintaining the highest ethical standards. This includes being an Equal Opportunity Employer who celebrates diversity by creating an inclusive environment to foster employees feeling valued, heard, and a sense of belonging.

Bribery and corruption are prohibited under the laws of the many countries in which Xactly does business, including:

- (1) the United States Foreign Corrupt Practices Act of 1977, as amended (the “FCPA”);
- (2) the United Kingdom Bribery Act of 2010 (the “UK Bribery Act”); and
- (3) the Organization for Economic Co-operation and Development Anti-Bribery Convention (the “Convention”)

By virtue of Xactly’s presence in both the United States and United Kingdom, our worldwide organization, no matter where domiciled, is subject to the jurisdiction of these and other laws. It is the policy of Xactly to fully comply with both the letter and spirit of those laws and all other applicable laws against government corruption and commercial bribery. Accordingly, Xactly Covered Individuals (defined below) must likewise fully comply with such laws on Xactly’s behalf.

The purpose of this Anti-Corruption Policy (the “Policy”) is to describe the mandatory practices and procedures that all Xactly employees, officers, and members of its board of directors (collectively, the “Xactly Covered Individuals” and individually, an “Xactly Covered Individual”) as well as its distributors, agents, contractors, business partners, and any other third-party representatives who are acting on Xactly’s behalf (the “Third Party Representatives”) must follow to ensure that Xactly’s practices are in compliance with applicable bribery and anti-corruption laws and other applicable legal and ethical standards. Any individual or organization with which you come into contact in the course of your work for Xactly, including actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisors, representatives and officials, politicians, and political parties, are referred to as “Outside Third Parties” (or “Outside Third Party”).

Failure to comply with applicable bribery and corruption laws may result in significant civil and criminal sanctions for Xactly and/or individuals involved, which may include Xactly Covered

Individuals, including fines, debarment, prison time, and is grounds for disciplinary action including termination of employment.

Anti-Bribery & Corruption Laws

A **bribe** is any offer, promise, or payment of anything of value, made to an individual to induce that individual to behave improperly or violate an expectation that the individual will act impartially in good faith or in accordance with a position of trust to obtain or retain any business or other improper advantage. Bribes can be anything of value, including a monetary exchange, entertainment, or gifts, no matter what the value, as well as discounts, hospitality, or acts of service which might not otherwise have been available but convey any form of benefit to an individual, entity, or organization. There is no minimum value for a violation to occur. Inducements that constitute forbidden bribes can occur in the public or private sector.

Closely related, **corruption** is the abuse of entrusted power or position for private gain.

Under the FCPA, the UK Bribery Act, the Convention, and the laws and regulations of many other countries in which Xactly may do business, Xactly, Xactly Covered Individuals, and Third Party Representatives are strictly prohibited from directly or indirectly giving, directing, offering, promising, or authorizing the provision of a bribe to public officials and/or private individuals.

In addition, under the UK Bribery Act, Xactly, Xactly Covered Individuals, and Third Party Representatives are strictly prohibited from requesting, agreeing to receive, or accepting an advantage with the intent of providing a reciprocal advantage to the one making the offer, regardless of if any party involved knows or believes that the performance of the function or activity is improper.

Under the FCPA, bribes may not be offered or made to any “Foreign Official” or to any other individual or entity, such as a family member, political party, or charity, affiliated with a government official, for the purpose of: (i) influencing any act or decision of a Foreign Official in their official capacity; (ii) inducing a Foreign Official to do or omit to do any act in violation of the lawful duty of such official; (iii) securing any improper advantage; (iv) inducing a Foreign Official to use their influence with a foreign government or instrumentality thereof to affect or influence any act or decision of such government or instrumentality; or (v) otherwise influencing a government act or otherwise securing a sale, contract, or any other improper business advantage. The term “Foreign Official” is interpreted broadly and includes, but is not limited to: (1) any employee, officer, or director of a foreign or domestic government or any department, agency, or instrumentality of a government; (2) a state-owned or controlled entity, including, in many countries, telecom, health care, and educational institution employees; (3) a public international organization, such as the Red Cross or World Bank; (4) any person acting in an official capacity for or on behalf of such governmental bodies or public organizations, including entities hired to review and accept bids for a government agency; and (5) foreign or domestic political parties, candidates for political office, and members of royal families. To violate the FCPA, an offer, promise, or authorization of a payment, or a payment, to a government official must be made “corruptly.” As Congress noted when adopting the FCPA, the word “corruptly” means an intent or desire to wrongfully influence the recipient. The FCPA also applies a requirement known as the “business purpose test.” The business purpose test is broadly interpreted but, in short, it states the payment, offer, or promise must be made in order to assist “in obtaining or retaining business for or with, or directing business to, any person.”

Other laws, including the UK Bribery Act, also prohibit bribes to Foreign Officials. In addition, the UK Bribery Act and other laws also prohibit offering, giving, or promising a bribe to any individual, whether

or not a public official, for an improper purpose or to influence the performance of a relevant function or activity, including any activity connected with a business, trade, or profession, or any activity associated with the individual's employment. Such "commercial bribery" has increasingly been a focus of enforcement in many countries, including the United States and United Kingdom. Actions that may violate the FCPA or UK Bribery Act may also violate other laws in the countries where Xactly does business, including state, local, and municipal laws, as well as mail and wire fraud laws.

Therefore, bribery of anybody, whether or not a Foreign Official, is illegal and Xactly, Xactly Covered Individuals and Third Party Representatives are strictly prohibited from engaging in such activities by Xactly's policies.

Third Party Representatives

Xactly or an Xactly Covered Individual violates anti-bribery laws if it authorizes a Third Party Representative to engage in bribery or other corrupt activity on its behalf. In addition, Xactly, as well as Xactly Covered Individuals can be held liable if it disregards or ignores signs that should have alerted Xactly or an Xactly Covered Individual that a Third Party Representative intended to make a bribe on its behalf. For this reason, the Xactly Covered Individual responsible for engaging the Third Party Representative should conduct due diligence of the Third Party Representative, including taking steps to confirm that the Third Party Representative can perform the requested services, determine the reputation for corruption in the foreign country in which the business activities will take place, identifying any relationships between the Third Party Representative and relevant foreign officials, and thoroughly reviewing the Third Party Representative's expenses. Additionally, Xactly Covered Individuals should initiate a World-Check screening per the instructions in the **Verification of Vendors, Third Party Representatives, and Outside Third Parties** section below when engaging new Third Party Representatives.

Xactly's General Counsel or Chief Executive Officer, or a designee of either such individual in that individual's absence, may deny for any reason any Third Party Representative from representing or acting on behalf of Xactly.

In addition, any such Third Party Representative must sign Xactly's standard contract or, if they sign a non-standard contract, the non-standard contract must contain, at a minimum, the Xactly standard clause requiring said Third Party Representative to comply in all material respects with applicable laws, including anti-corruption laws.

Indirect Payments

Xactly and Xactly Covered Individuals and Third Party Representatives can be liable for bribes made indirectly or through other individuals or entities, such as family members, companies, political parties, or charities. The FCPA expressly prohibits corrupt payments made through third parties or intermediaries. Specifically, it covers payments made to "any person, while knowing that all or a portion of such money or thing of value will be offered, given, or promised, directly or indirectly," to a Foreign Official. Xactly therefore strictly prohibits, and no Xactly Covered Individual or Third Party Representative may engage in, instructing, directing, authorizing, or allowing a third party to offer, give, direct, or promise a bribe to any individual for an improper purpose or to influence his or her performance or execution of a relevant function or activity.

Facilitation payments and kickbacks

Facilitation payments, also known as "kickbacks," are a form of bribery made for the purpose of expediting or facilitating the performance of a public official for a routine governmental action, and not

to obtain or retain business or any improper business advantage. Facilitation payments tend to be demanded by low level officials to obtain a level of service which one would normally be entitled to. Xactly's strict policy is that facilitation payments must not be paid.

Xactly, Xactly Covered Individuals, and Third Party Representatives engaged by Xactly must avoid any activity that might lead to a kickback being made or accepted by Xactly or on its behalf, or that might suggest that such a payment will be made or accepted.

Penalties

Violations of the FCPA, the UK Bribery Act, the Convention, and other anti-corruption laws can result in severe criminal and civil penalties for Xactly, Xactly Covered Individuals, and Third Party Representatives, including imprisonment, forfeiture of profits, and significant fines. Under federal law, individuals or companies that aid or abet a crime, including an FCPA violation, are as guilty as if they had directly committed the offense themselves. This means that Xactly Covered Individuals and Third Party Representatives can be individually and personally liable and face significant penalties – including a term in prison – for violations of the FCPA. An Xactly Covered Individual or Third Party Representative may be convicted of violating the FCPA even if Xactly is not convicted – and the FCPA prohibits Xactly from paying or indemnifying the Xactly Covered Individual's fine.

In addition, bribery is always a violation of Xactly's policies and will result in disciplinary action, up to and including termination of employment.

Xactly's Policy

To ensure compliance with the FCPA, the UK Bribery Act, the Convention, and other applicable anti-bribery and anti-corruption laws, it is Xactly's policy and Xactly Covered Individuals and Third Party Representatives are strictly prohibited from:

1. Using Xactly funds or assets for any unlawful or improper purpose including but not limited to offering, giving, or promising, or instructing, authorizing, or allowing a third party to offer, give, or promise a bribe to any government official, non-government official, or other individual for an improper advantage.
2. Making any payment to any Foreign Official or other individual for the purpose of making a sale, obtaining favorable action by a government agency, or inducing that individual to violate an expectation that the individual will act in good faith, impartially, or in accordance with a position of trust.
3. Requesting, agreeing to receive, or accepting an advantage from anyone with the intent of providing a reciprocal advantage to the one making such offer.
4. Providing gifts of substantial value or lavish entertainment to anyone.
5. Providing gifts, entertainment, or Xactly-sponsored travel to anyone unless permitted under all gift or entertainment policies of Xactly then in effect.
6. Offering, paying, or promising to transfer any Xactly funds, assets, gifts, or anything else of value to any Foreign Official or other individual for the purpose of influencing any act or decision of any such person in his or her official capacity or to induce improper performance of any relevant function or activity.

7. Directing or facilitating any indirect payments or kickbacks to any Foreign Officials, entities, or agencies for the purpose of obtaining any sort of business advantage.
8. Retaining any Third Party Representative without prior approval by the CFO or his or her designee, or such other officer appointed by the Board.
9. Making any political or charitable contribution with corporate funds or assets, without the CFO's or his or her designee's consent, regardless of whether the contributions are legal under the laws of the country in which they are made.

It is not acceptable for you (or someone on your behalf) to:

1. give, promise to give, direct, or offer, a payment, gift, hospitality, or convey any sort of improper benefit with the expectation or hope that a business advantage will be received, or to reward a business advantage already given;
2. give, promise to give, direct, or offer, a payment, gift, hospitality, or convey any sort of improper benefit to a Foreign Official or Outside Third Party to 'facilitate' or expedite a routine procedure;
3. accept payment, either directly or indirectly, from an Outside Third Party that you know or suspect is offered with the expectation that it will obtain a business advantage for them;
4. accept a gift or hospitality, either directly or indirectly, from an Outside Third Party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by Xactly in return;
5. threaten or retaliate against another Xactly Covered Individual who has refused to commit any of the bribery offenses identified above, who has refused to engage in any activity which Xactly may consider a violation of this Policy, or who has raised concerns under this Policy; or
6. engage in any activity that might lead to a breach of this Policy.

"RED FLAGS"

The following is a list of possible red flags that may arise during the course of your work for Xactly, and which may raise concerns under various anti-bribery and anti-corruption laws. The list is not intended to be exhaustive and is for illustrative purposes only.

If you encounter any of these or other red flags while working for Xactly, you must report them promptly to the General Counsel, to your direct supervisor, or the senior staff member responsible for managing your department. Red flags include, but are not necessarily limited to:

1. you become aware that an Outside Third Party engages in, or has been accused of engaging in, improper business practices, including payment of excessive commissions to third party agents or consultants;
2. if the Outside Third Party refuses to divulge adequate information during due diligence procedure;

3. you learn that an Outside Third Party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a ‘special relationship’ with Foreign Officials;
4. an Outside Third Party insists on receiving a commission or fee payment before committing to sign up to a contract with Xactly, or carrying out a government function or process for Xactly;
5. an Outside Third Party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made, or an Outside Third Party requests an unexpected additional fee or commission to ‘facilitate’ a service;
6. an Outside Third Party requests that payment is made to a country or geographic location different from where the Outside Third Party resides or conducts business;
7. an Outside Third Party demands lavish gifts, invitations, or hospitality before commencing or continuing contractual negotiations or provision of services;
8. an Outside Third Party requests that you provide employment or some other advantage to a friend or relative;
9. an Outside Third Party requests that you make a political contribution or donation to the party or charity of their choice before agreeing to undertake a business relationship with the Xactly;
10. you receive an invoice from an Outside Third Party that appears to be non-standard or customized or an Outside Third Party refuses to put terms agreed in writing;
11. you are offered an unusually generous gift or offered lavish hospitality by an Outside Third Party;
12. you become aware of unreasonably large discounts to third parties or invoices which include unreasonably vague descriptions of services; or
13. an Outside Third Party became part of a transaction at the express request or insistence of a Foreign Official.

In addition, it is Xactly’s policy that:

1. All records must truly reflect the transactions they record. All assets and liabilities shall be recorded in the regular books of account. No undisclosed or unrecorded fund or asset shall be established for any purpose. No false or artificial entries shall be made in the books and records for any reason. No payment shall be approved or made with the intention or understanding that any part of such payment is to be used for any purpose other than that described by the document supporting the payment. Furthermore, any direction of benefits or any thing of value, either directly or indirectly, to a third party by Xactly or an Xactly Covered Individual with corrupt intent or corrupt manner is strictly prohibited.
2. Any Xactly Covered Individual who learns of or suspects a violation of this Policy should promptly report the matter according to the guidelines under the section titled “Reporting Violations or Potential Violations of this Policy” below or Xactly’s Whistleblower policy linked below. All managers shall be responsible for the enforcement of and compliance with this Policy.

3. Xactly Covered Individuals who regularly conduct business with Foreign Officials or any other individual with whom Xactly has a business relationship or who are involved in the sale of products to government entities, will receive anti-corruption training on a regular basis, including in connection with their new-hire training, but in no event less than once every year.
4. A violation of this Policy will lead to disciplinary action, up to and including termination of employment.

Verification of Vendors, Third Party Representatives, and Outside Third Parties

Xactly's policy is to conduct verifications for all its vendors, Third Party Representatives, and Outside Third Parties via World-Check screening. In order to facilitate this verification process, the Xactly Covered Individual responsible for engaging the vendor, Third Party Representative, or Outside Third Party must raise a legal request through the [Xactly Help Portal](#) prior to signature of an agreement with such vendor, Third Party Representative, or Outside Third Party.

Reporting Violations or Potential Violations of this Policy

If an Xactly Covered Individual suspects or becomes aware of any action that he or she believes may be illegal, unethical, or inappropriate, or otherwise in violation of this Policy, the person should immediately report the situation by referring to the procedures set forth in Xactly's Code of Business Conduct and Ethics, found at this link:

<https://sites.google.com/a/xactlycorp.com/xactlyhr/policies-1/business-conduct-and-ethics>

You can also review Xactly's Whistleblower Policy found at this link:

<https://sites.google.com/a/xactlycorp.com/xactlyhr/policies-1/whistleblower-policy>.

Reports should be factual instead of speculative or conclusory and should contain as much specific information as possible, including where possible any related documentation or supporting evidence which you may have, to allow the persons investigating the report to adequately assess the nature, extent, and urgency of the investigation.

No Retaliation

Reprisal, threats, retribution, or retaliation in any way against any person who has in good faith made a complaint, raised a concern, or assists in any investigation or process with respect to such a complaint against Xactly or participated in any whistleblowing activity is prohibited. Xactly Covered Individuals who believe that they have been subjected to any discrimination, retaliation, or harassment for having submitted a complaint under this or the Whistleblower Policy, or participating in an investigation relating to such a complaint, should immediately report the concern to the General Counsel and any of the employee's supervisors. Xactly will not retaliate, and will not permit any retaliation, against any individual for reporting a good-faith concern under this Policy.

Cooperation in Investigations, Audits, Inquiries

Xactly Covered Individuals are expected to cooperate with all internal investigations performed by authorized Xactly personnel under this Policy. Xactly Covered Individuals are also expected to cooperate in external investigations and inquiries such as external audits, regulatory reviews, and governmental investigations and inquiries. Where reasonably possible and legally permissible, Xactly Covered Individuals should notify the legal department of their participation in such external investigations and inquiries by emailing legal@xactlycorp.com.



Modification and Audit

This Policy can be modified unilaterally by Xactly at any time without notice. Modification may be necessary to maintain compliance with federal, state, or local laws and regulations or accommodate organizational changes within Xactly. All Xactly Covered Individuals are responsible for the success of this Policy and should ensure they use it to disclose any suspected danger or wrongdoing.

Questions

If you have any questions about this Policy, please contact Vice President and General Counsel, at legal@xactlycorp.com.