



## **Code of Ethics**

Approved by the Board of  
Directors on 30-4-2020

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## 1. Introduction

This Code of Ethics (hereinafter the “Code”) expresses the ethical commitments and responsibilities, in the management of business and corporate activities, taken by the collaborators of FacePhi, S.A. and its subsidiaries, whether directors or employees, of any type, in said companies.

FacePhi operates at the service of communities, respecting the environment and the safety of people, with a commitment to ensure a better world for future generations. FacePhi aims to maintain and develop a relationship of trust in the areas in which it works, i.e. with those categories of individuals, groups or institutions who support FacePhi in the fulfilment of its corporate mission or who have, howsoever, an interest in that mission or in achieving its objectives.

Stakeholders are those who make investments related to FacePhi's activities, firstly, shareholders and then collaborators, customers, suppliers and partners. In a broader sense, all those, individuals or groups, as well as the organizations and institutions that represent them, whose interests are affected by the direct and indirect effects of FacePhi's activities are equally involved.

An unethical conduct compromises the relationship of trust between FacePhi and its stakeholders. The conduct of anyone, individual or organisation, trying to obtain the benefits of the collaboration of others, exploiting positions of strength, are unethical and encourage the adoption of hostile attitudes towards the company.

Good reputation is an essential intangible resource. A good reputation outside the company fosters shareholder investments, customer loyalty, attraction of the best human resources, serenity of suppliers and reliability vis-a-vis creditors. Internally, it helps taking and implementing decisions without friction, and to organise work without bureaucratic controls and excessive exercise of authority.

Since the Code clarifies the particular duties of FacePhi towards stakeholders (fiduciary duties), effective compliance with the same represents a basis of comparison on which to judge the reputation of FacePhi. The Code therefore consists of:

- *the general principles on relationships with stakeholders, which abstractly define the reference values in FacePhi's activities;*
- *conduct criteria for each class of stakeholders, which provide specifically the guidelines and standards FacePhi collaborators are required to abide by in order to comply with the general principles and prevent the risk of unethical conduct;*
- *implementation mechanisms, which describe the control system for compliance with the Code and for its continuous improvement.*

This Code is based on a concept of cooperation with a view to mutual benefit of the parties involved, respecting the role of each. Therefore, FacePhi requires that each stakeholder acts in its regard according to principles and rules inspired by a similar concept of ethical conduct.

The principles and provisions of this Code are addressed to the members of the Board of Directors, the Audit Committee, the Appointments and Remuneration Committee, the Compliance Committee and other control bodies of FacePhi S.A., in addition to the directors, employees and collaborators linked under contractual relationships deriving from any title, also occasional or temporary.

In addition, FacePhi requires all affiliated or investee companies and major suppliers and partners to conduct themselves in accordance with the general principles of this Code.

This Code is based on the definition of FacePhi's Mission, Vision, Values and Principles, which it complements, and constitutes an action guide to ensure adequate behaviour in the professional performance of its employees, in accordance both with the legislation of each of the countries where FacePhi develops its activities and with the established Regulatory System, respecting the values of their respective cultures.

## 2. General Principles

### 2.1. Impartiality

In decisions that affect relationships with its stakeholders (the choice of customers to serve, relationships with shareholders, personnel management or work organization, selection and management of suppliers, relationships with the surrounding community and the institutions that represent it), FacePhi avoids any discrimination based on age, sex, sexuality, health status, nationality, political opinions and religious beliefs of its interlocutors.

### 2.2. Honesty

As part of their professional activity, FacePhi collaborators are required to diligently comply with current legislation, this Code and internal regulations. Under no circumstances can the pursuit of FacePhi's interest justify dishonest conduct.

### 2.3. Integrity in the event of potential conflicts of interest

In conducting any activity, situations in which the parties involved in the transactions are, or may even only appear to be, in a conflict of interest must always be avoided. This means both the case in which a collaborator pursues an interest other than the corporate mission and the balancing of the interests of the stakeholders or "personally" benefits from business opportunities of the company, as well as the case in which representatives of customers or suppliers, or public institutions, act contrary to the fiduciary duties related to their position in their relations with FacePhi.

## 2.4. Confidentiality

FacePhi ensures the confidentiality of the information in its possession and refrains from seeking confidential data, except in the case of express and informed consent and compliance with current legislation. Furthermore, FacePhi collaborators are required not to use confidential information for purposes not related to the conduct of their activity, as in the case of insider trading and market manipulation.

## 2.5. Relations with shareholders

Shareholders, even potential, are not only a source of financing, but parties with moral opinions and preferences of various kinds. In order to consciously adopt investment decisions and corporate resolutions, they therefore need all the relevant information available. FacePhi creates the necessary conditions so that the participation of the shareholders in the decisions of its competence is wide and conscious, guarantees the equality of information and, also, protects the interest of FacePhi and the totality of the shareholders towards initiatives not marked by the principles of transparency and correctness.

## 2.6. Value of Human Resources

FacePhi collaborators are an indispensable factor for its success. For this reason, FacePhi protects and promotes the value of human resources in order to improve and increase the wealth and competitiveness of skills of each collaborator.

## 2.7. Equity of Authority

In signing and managing contractual relationships that imply the establishment of hierarchical relationships—in particular with collaborators— FacePhi undertakes to ensure that the authority is exercised with equity and fairness, avoiding any abuse.

## 2.8. Integrity of people

FacePhi guarantees the physical and moral integrity of its collaborators, working conditions that respect individual dignity, the rules of conduct inherent of a good education and safe and healthy work environments. It also acts in such a way that no episodes of intimidation or harassment occur in the work environment.

Requests or threats to induce people to act against the law and the Code, or to adopt conduct that is contrary to the convictions and moral and personal preferences of each person are not tolerated.

## 2.9. Responsibility towards the community

FacePhi is aware of the influence, even indirect, that its activities can have on the conditions, on the economic and social development and on the general well-being of the community.

## 2.10. Environmental Protection

The environment is a primary asset that FacePhi undertakes to safeguard; to this end, it plans its activities seeking a balance between economic initiatives and essential environmental needs, in consideration of the rights of future generations.

## 3. Conduct criteria

The ethical behavior that governs FacePhi, good corporate governance and professional ethics are the principles that form the pillars of this organization.

### 3.1. Conduct criteria with shareholders

#### 3.1.1. Corporate Governance

FacePhi adopts a Corporate Governance system inspired by the highest standards of transparency and correctness in business management. This system of corporate governance is in accordance with the provisions of the applicable legislation, with the regulations of the CNMV (National Securities Market Commission), among others the Unified Code of Good Governance approved in 2006, and with the best international practices.

The corporate governance system adopted by FacePhi, in addition to being an essential instrument for guaranteeing efficient management and valid control of activities in the business sphere, is oriented to:

- *create value for shareholders; the quality of service for customers; control business risks;*
- *transparency in the marketplace;*
- *reconciliation of the interests of all shareholders, with particular attention to small shareholders;*
- *promote awareness of the social relevance of FacePhi's activity and the consequent need to give due consideration, in its corresponding development, to all the interests involved.*

The governing structures responsible for pursuing these objectives are mainly the General Meeting of Shareholders, the Board of Directors and the committees with advisory or proposal functions created within their core.

In terms of internal control, FacePhi adopts a specific system that aims to verify that the various business processes are adequate in terms of effectiveness, efficiency and economic optimization; to guarantee the reliability and correctness of accounting records; to safeguard company assets and to ensure the conformity



of operations with internal and external regulations and company directives and guidelines that aim to ensure sound and effective management.

FacePhi S.A. has entrusted the task of reviewing the balance sheet for the financial year and the consolidated balance sheet with total transparency and in strict compliance with current regulations. In order to guarantee the independence of the audit company and the transparency and correctness of the procedure, the procedures for entrusting additional tasks to the audit company itself and to its group will be regulated by specific protocols.

### 3.1.2. Information towards the market

FacePhi pursues its mission while ensuring full transparency, adopting specific procedures to guarantee the correctness and veracity of corporate disclosures (balance sheets, periodic reports, information brochures, etc.) and to prevent the commission of corporate crimes (as false corporate communications, hindering the exercise of the functions of the Regulatory Authorities, etc.) as well as market abuses (abuse of confidential information and market manipulation).

In addition, FacePhi provides all the information necessary for investors' decisions to be based on knowledge and understanding of business strategies and management development to obtain the expected return on investment.

All FacePhi financial communication is characterized not only by compliance with regulatory requirements, but also by comprehensible language, exhaustive and timeliness nature and consistency of information for all investors.

With respect to institutional investors and financial analysts, FacePhi is committed to providing appropriate information through targeted presentations and regular meetings with investors; with respect to small shareholders, FacePhi is committed to ensuring:

- *homogeneity in the informational materials via the publication on the website of all the documents intended for institutional investors;*
- *simultaneity with the information provided to institutional investors*
- *dynamic tools for web communication.*

### 3.1.3. Privileged Information Control

FacePhi adopts specific regulations for the management and processing of confidential information, which contain protocols for the external communication of documents and information related to FacePhi, with particular reference to privileged information.



Business representatives, employees and collaborators of FacePhi must avoid behaviors that could lead to the abuse of confidential information and market manipulation, also by third parties; in order to ensure maximum transparency, procedures will be adopted for the management of confidential information respecting the laws and in line with international best practices.

FacePhi has created (and regularly updates) a record in which are registered the individuals or legal entities that have access to privileged information according to their labor or professional activity or functions carried out on behalf of FacePhi. The purpose of this record is to make the subjects registered in it aware of the value of the privileged information they have, while facilitating the development of control activities by the Regulatory Authorities with regard to compliance with the rules laid down for the protection of market integrity.

## 3.2. Conduct criteria with all other partners

### 3.2.1. Information Processing

Stakeholders' information is processed by FacePhi in full compliance with the confidentiality and privacy of data subjects. To this end, specific policies and procedures for the protection of information are applied and constantly updated. In particular, FacePhi:

- *defines an information processing organization that ensures the proper separation of roles and responsibilities;*
- *classifies the information by increasing levels of criticality, and takes appropriate countermeasures at each stage during the processing;*
- *ensures that third parties involved in information processing sign confidentiality agreements.*

### 3.2.2. Presents, gifts and benefits

No form of gift exceeding normal commercial or courtesy practices, or in any case aimed at acquiring favorable treatment in conducting any activity connected to FacePhi, is allowed. In particular, any form of gift to Spanish and foreign public officials, auditors, statutory auditors of FacePhi and its subsidiaries, which may influence independence of judgment or lead to ensure any advantage is prohibited.

FacePhi gifts are characterized by the fact that they are intended to promote FacePhi's brand image. Offered presents —except those of a modest value— must be managed and authorized according to business protocols and must be properly documented. FacePhi employees who receive unauthorized gifts or benefits in the mentioned cases, shall report them to FacePhi S.A. Audit Department which will evaluate whether they are appropriate or not.

## 3.3. Conduct criteria with collaborators

### 3.3.1. Personnel Selection

The assessment of personnel to be hired is carried out on the basis of correspondence of candidates' profiles with expectations and company needs, in compliance with equal opportunities for all those involved.

### 3.3.2. Personnel Management

As part of the personnel management and development processes, as well as in the selection phase, the decisions taken are based on the correspondence between expected profiles and the profiles of collaborators (for example, in the event of promotion or transfer) and/or on considerations of merit (for example, allocation of incentives based on results achieved).

Access to roles and assignments is also established in consideration of skills and abilities; moreover, to the extent compatible with general work efficiency, that flexibility in work organization that facilitates management of maternity and in general children's care is fostered.

FacePhi provides its employees and collaborators with information and training tools, both internally and remotely, in order to value their specific skills and preserve the professional value of the staff.

### 3.3.3. Health and Safety

FacePhi undertakes to disseminate and consolidate a culture of safety by developing awareness of risks, promoting responsible conduct by all collaborators;

it also operates to preserve, particularly by means of preventive actions, the health and safety of workers, in addition to the interests of others involved, and this through:

- *the introduction of an integrated system of organization and management of health and safety at work;*
- *a continuous analysis of the risk and critical points of the processes and resources to be protected;*
- *the adoption of the best technologies;*

### 3.3.4. Privacy Protection

The privacy of collaborators is protected by adopting standards that specify the information that the company requires from the collaborator and the related methods of processing and storage.

Any investigation on the ideas, preferences, personal tastes and, in general, the private life of collaborators is excluded. These standards also prohibit, except as provided by law, the communication/distribution of personal data without the prior authorization of the data subject and establish the rules for the control by each collaborator of the rules for the protection of privacy.

### 3.3.5. Integrity and protection of people

FacePhi undertakes to protect the moral integrity of its collaborators by ensuring the right to working conditions that respect people's dignity. FacePhi, hence, protects workers from acts of psychological violence, and opposes any attitude or conduct that discriminates or harms people, their convictions and their preferences (for example, in the case of insults, threats, isolation or excessive intrusiveness, as well as professional limitations).

### 3.3.6. Duties of collaborators

Collaborators must act loyally in order to comply with the obligations entered into in the employment contract and as provided for by the Code, ensuring the required services; they are required to report any violation of the rules of conduct established by internal procedures through the appropriate channels.

The collaborator must know and apply all the provisions of corporate policies on information security to ensure its integrity, confidentiality and availability.

All FacePhi collaborators shall avoid situations where conflicts of interest may arise and refrain from taking personal advantage of business opportunities where information has come to their knowledge in the course of performing their own duties.

All collaborators must operate with diligence to protect the company's assets, acting responsibly and in accordance with the operating procedures established to regulate their use, which must be precisely documented. In particular, each collaborator must:

- *use with care and discretion the goods entrusted to him;*
- *avoid improper use of business assets that may cause damage or reduced efficiency or, anyhow, be against the interest of the company itself.*

Every collaborator is responsible for the protection of the resources entrusted to them and has the duty to timely report any threats or events harmful to FacePhi.

FacePhi reserves the right to prevent illegal use of its assets and infrastructure through the use of accounting systems, financial control reports and risk analysis and prevention, all in compliance with the provisions of existing laws (privacy laws, employee statutes, etc.).

With regard to computer applications, each collaborator must scrupulously comply with the provisions of the duly notified information security policies.

## 3.4. Conduct criteria with customers

### 3.4.1. Contracts and customer communications

Contracts and communications with FacePhi customers (including advertising messages) must be:

- *clear and simple*
- *in accordance with the regulations in force, without resorting to evasive or in any way incorrect practices*
- *complete, so that no element relevant to decision making is overlooked.*

### 3.4.2. Control of quality and customer satisfaction

FacePhi undertakes to ensure adequate quality standards of the services/products offered according to pre-defined levels and to periodically analyze the results in terms of perceived quality, committing itself to echo the suggestions and complaints made by customers.

## 3.5. Conduct criteria with suppliers

### 3.5.1. Supplier selection

The purchasing processes are characterized by the search for the greatest competitive advantage for FacePhi, ensuring equal opportunities among all suppliers; they are also based on pre-contractual and contractual behaviors focused on loyalty, transparency and reciprocal collaboration.

In any event, in case the supplier, in the development of its own activity for FacePhi, adopts conducts that are not in line with the general principles of this Code, FacePhi will be entitled to take the appropriate measures, including refusing to collaborate in the future with such supplier.

## 4. Implementation modalities

### 4.1. Tasks of the Compliance Committee for the implementation and control of the Code of Ethics

With respect to the Code of Ethics, the Compliance Committee is responsible for the following tasks:

- *to make decisions regarding violations of the Code of Ethics of significant relevance pointed out by the Compliance Officer of FacePhi S.A.;*
- *to express binding opinions regarding the review of the most relevant policies and protocols, in order to ensure their consistency with the Code of Ethics;*
- *to take care of the periodic review of the Code of Ethics.*

To this end, the Committee evaluates:

- *the communication and ethical training plans; the sustainability report;*
- *the work plan prepared by the Compliance Officer of FacePhi S.A. and the periodic reports thereof.*

## 4.2. Tasks of the Compliance Board of FacePhi S.A

The Compliance Officer of FacePhi S.A. has the following tasks:

- *verify the application and implementation of the Code of Ethics by means of specific activities aimed at controlling and promoting the continuous improvement of ethics within FacePhi, through the analysis and evaluation of ethical risk control processes;*
- *review initiatives for the dissemination of knowledge and understanding of the Code of Ethics, in particular: ensuring the development of ethical communication and training activities, analyzing proposals for the revision of business policies and procedures with significant impacts on business ethics, and preparing possible solutions to be submitted for evaluation by the Compliance Committee;*
- *receive and analyze notices of violations of the Code of Ethics;*
- *propose to the Compliance Committee the amendments and additions to be made to the Code of Ethics.*

## 4.3. Communication and training

The Code is brought to the attention of internal and external stakeholders through specific communication activities (for example, handling a copy of the Code to all collaborators, dedicated sections on the corporate Intranet, inclusion of a note on the adoption of the Code in all contracts, etc.).

In order to ensure correct comprehension of the Code by all FacePhi collaborators, the Human Resources Department prepares and implements, also in accordance with the indications of the Compliance Officer of FacePhi S.A, a training plan aimed at promoting

knowledge of ethical principles and rules. This plan will be differentiated according to the role and responsibility of the collaborators.

#### 4.4. Indications from stakeholders – Complaints channel

FacePhi takes care of establishing communication channels for each partner involved, through which they can send their own indications. In addition, the parties involved in FacePhi may report any violation or suspected violation of the code of ethics to FacePhi S.A.'s Compliance Committee, which will be responsible for analyzing the report and possibly hearing the author and the person responsible for the alleged violation.

FacePhi S.A.'s Compliance Board acts in such a way as to protect the person indicating such violation from any kind of retaliation, understood as any act that may imply or simply appear to be a form of discrimination or penalty. The confidentiality of the identity of the person indicating the violation is also guaranteed, except in cases established by law.

Complaints can be submitted through FacePhi's ethical mailbox [canaldenuncias@facephi.com](mailto:canaldenuncias@facephi.com) or by letter to the Compliance Committee, FacePhi Biometría S.A., C/ México 20, 3º, 03008, Alicante.

#### 4.5. Violation of the Code of Ethics

The FacePhi Compliance Committee sends reports on violations of the Code of Ethics, detected after indications from those involved or after audit activities, and suggestions that are considered necessary, informing the Chief Executive Officer of FacePhi or the Board of Directors of the violations and the measures derived from them.

#### 4.6. Sustainability report

FacePhi undertakes to prepare an annual Sustainability Report in accordance with the best national and international standards, which examines the three dimensions of economic, social and environmental responsibility. The Sustainability Report provides a clear, true and correct report of the results obtained in all areas related to those involved with respect to the principles and commitments assumed in the Code of Ethics, in addition to the improvement objectives established periodically, presenting, in the event of extraordinary or exceptional events, specific approaches.

## 5. Validity

The Code of Ethics comes into force on the day of its approval by the Board of Directors. Subsequently, it will be communicated to all the parties involved and shall remain in force until an update is approved. It will be periodically reviewed and updated by the Management Committee, which will take into account the suggestions and proposals made by employees and the commitments made by FacePhi in terms of corporate responsibility and good governance.

The final approvals of each of the updates to the Code of Ethics shall be made by the Board of Directors of Facephi Biometría S.A.

Approved by the Board of Directors in a meeting held on 30 April 2020.

## **STATEMENT OF ACKNOWLEDGMENT AND ACCEPTANCE OF THE CODE OF ETHICS OF FACEPHI BIOMETRÍA, S.A.**

Name and Surname:

National ID Card:

E-mail:

I hereby declare to have received a copy of the Code of Ethics as well as my full understanding of its contents.

Alicante, , 2020