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# Anti-bribery and gifts and entertainment policy

# 1. Purpose and Scope

Bribery is illegal in all countries where we do business. You might have heard of the United States Foreign Corrupt Practices Act or the UK Bribery Act, but these are just the best-known examples of laws making bribery illegal. We do not expect you to become experts in all anti-bribery laws. However, we do expect and require you to be familiar with this Policy, seek guidance should you have any questions, and report in good faith all actual or potential violations of which you are aware.

It is crucial to understand that a bribe is not only an actual payment of money, but it can also be an offer, promise, or authorization of anything of value (including things like entertainment, gifts, travel, charitable donations, or employment) that is given for the purpose of improperly influencing an individual to obtain or retain business, direct business to another person, or otherwise secure any advantage. Simply stated, a bribe is giving or promising anything of value to induce a person to misuse their governmental, corporate, or other official position. In this Policy, we refer to all such behavior as bribes or improper payments.

Bribes can occur in the public and private sectors, and they can involve government or public officials or private sector individuals. When bribery involves private sector individuals, it is often referred to as commercial bribery. Public sector bribery takes place when anyone acting on behalf of any government is involved. This seems intuitive, but under some laws, a reference to a government or public official can also cover members of a royal family, candidates for public office, officials of political parties, employees of government-owned or government-controlled companies, and even employees of publicly-operated or publicly-funded international organizations. Moreover, under some anti-bribery laws, spouses and immediate family members of any of these persons are also treated as government officials.

Elastic maintains this Anti-Bribery and Gifts and Entertainment Policy to comply with not only the letter, but also the spirit and intent of all anti-bribery laws and regulations of the United States and the other countries where we do business. The purpose of this Policy is to clearly communicate to all Elasticians and our business partners, Elastic's total commitment to avoid bribery in all of our business dealings and to require all Elasticians and others acting on Elastic's behalf to comply with all anti-bribery laws and to follow the practices and procedures in this Policy that are designed to ensure that we meet or exceed all applicable legal and ethical standards.

This Policy applies to Elastic's operations worldwide and to all of its directors, officers, and employees, wherever they are located. It also applies to our agents and similar third-party representatives acting on our behalf. The practices and procedures included in this Policy apply not only to activities of individual Elasticians and third-party representatives of Elastic, but also to all programs, events, campaigns, and other initiatives of Elastic and any of its functions and businesses.

## 2. Policy Statement

It is Elastic's corporate policy to fully comply with both the letter and spirit of the anti-bribery laws. Bribery of any person, whether or not he or she is a government official, or any other use of Elastic's funds or assets for any unlawful or improper purpose is illegal and strictly prohibited. Specifically:

- No Elastician may offer, promise, authorize, or give any improper payment (understood as anything of value to induce a person to misuse their governmental, corporate, or other official position);
- Facilitating payments are prohibited. These are small payments to low-level government officials to encourage them to perform their regular duties with more urgency;
- All transactions and expenditures must be recorded in Elastic's books and records. All records must accurately, fairly, and in reasonable detail reflect all transactions and the disposition of assets. 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;
- The retention of third-party representatives who may represent or act on Elastic's behalf (including consultants, agents, resellers, or channel partners) should involve careful consideration of whether due diligence is warranted. Typically, risk-based due diligence will be needed before engaging lesser-known third parties, especially in jurisdictions outside of the United States;

- Any Elastician who learns of or suspects a violation of this Policy must promptly report the matter according to the guidelines set forth in the “Reporting Violations or Potential Violations” section below;
- Any Elastician who receives a demand for anything of value that would violate this Policy must contact the Chief Ethics & Compliance Officer or the General Counsel immediately; and
- All Elasticians must follow the procedures summarized below, which are designed to ensure that we meet or exceed all applicable legal and ethical standards.

### 3. Permissible Gifts and Entertainment

Business gifts and entertainment on a modest scale are commonly used to build goodwill and strengthen commercial relationships. Providing or accepting occasional meals, company swag, or tickets to sporting and cultural events may be appropriate in certain circumstances. On occasion, it may also be appropriate to accept or provide travel for business events. However, if any of these business courtesies are frequent or of substantial value, they may create the appearance of an improper payment, or may even be an actual improper payment.

Remember, business decisions must not be based on gifts and entertainment received or provided through our business relationships. In fact, we should avoid even the appearance of making business decisions based on gifts and entertainment. Our selection of suppliers and business partners, and similar choices made by our customers, must be based on objective factors, such as price, quality, service, and value. It will never be acceptable to engage in corporate courtesies in expectation of receiving something in return or if the recipient may believe that he or she owes something in return (so-called *quid pro quo*).

We describe in Paragraphs A, B, and C below the rules and procedures designed to ensure that any gifts or entertainment offered or provided by any Elastician meet or exceed all applicable legal and ethical standards. And if you ever have any doubt whether all of these requirements are clearly met, please do not hesitate to contact the Chief Ethics & Compliance Officer.

## A. Gifts and entertainment to government officials

We strongly discourage providing gifts and entertainment to government officials. Subject only to the two exceptions below, all gifts, entertainment, Elastic-sponsored travel, or other things of value given to any government officials must be pre-approved, in writing, by the Chief Ethics & Compliance Officer or the General Counsel. The Chief Ethics & Compliance Officer and the General Counsel will consider for approval only such gifts, entertainment, Elastic-sponsored travel, or other things of value given to any government officials that are:

- Clearly related to a legitimate business purpose (for example, to educate or explain our products or services or to provide training or educational information to public sector customers or prospects);
- Reasonable in amount, as determined by the Chief Ethics & Compliance Officer or the General Counsel;
- Legal under the written laws of the official's home country and the policies of the governmental agency employing the government official; and
- Not in the form of cash.

There are two exceptions to this pre-approval requirement:

*Government Officials in the United States.* We have adopted a U.S. Public Sector Gifts Guidelines and Procedures that governs gifts, meals, and other things of value given to any government officials in the United States. You can find it on our Wiki under Ethics and Compliance. All Elasticians interacting with U.S. government officials must be familiar with this Policy and act in full compliance with its provisions. Minor items expressly permitted under the U.S. Public Sector Gifts Guidelines and Procedures do not require the pre-approval from the Chief Ethics & Compliance Officer or the General Counsel.

*Foreign Government Officials.* Pre-approval is not required for modest meals, refreshments, and Elastic swag in connection with education or training regarding Elastic's products and services, including meetings at which the benefits of our products and services are discussed. However, we do require you to obtain a written confirmation from a government official (email is sufficient) that his or her acceptance of such meals, refreshments, or swag complies with local anti-bribery laws and the policies of the relevant governmental agency employing the official. This is a very narrow exception, and you must reach out to the Chief Ethics & Compliance Officer if you have any questions about how to interpret it.

## **B. Gifts and entertainment to private sector individuals**

Elasticians may provide gifts, meals, and entertainment to private sector individuals only if all of the following general conditions are met:

- They are related to a legitimate business purpose (including educating the individual about Elastic's products and services, building goodwill, or strengthening working relationships);
- Their value is reasonable (and anything that is lavish or excessive in value definitely cannot be seen as reasonable) and appropriate under the circumstances, including the seniority of the recipient;
- Their context and timing will not raise any suspicion of impropriety, such as a relationship to contract negotiation, competitive bid, or tender process;
- They are permitted under applicable laws and the policies of the recipient's organization;
- They are in good taste and cannot be reasonably seen as sexually-oriented or otherwise expose the attendees to content that would not reflect our commitment to treat everyone (including non-Elasticians) with respect and dignity;
- They are provided infrequently;

- They are not in cash; and
- You have informed your direct manager of all material aspects of a proposed gift or entertainment and have obtained your manager's approval.

If all of the above general conditions are clearly met, then the following items can be offered and given without any further approvals:

- Elastic swag available at the Elastic Store not exceeding \$150 in value per person per event;
- Bluetooth speakers, headphones, desk mats, travel kits, mugs, wireless chargers, notepads, pens, and other items not exceeding \$150 in value per person per event;
- Holiday baskets, flowers, books, mooncakes, and similar gifts not exceeding \$150 in value per person per event;
- Personalized items of little intrinsic value (such as plaques or similar items to celebrate significant business achievements, service anniversaries, retirement, etc.);
- Free registration for ElasticON, Elastic lunch-and-learns, channel partner summits, and similar events;
- Awards for random, objectively managed drawings, raffles, or lucky draws not designed to reward any specific third party and given in connection with an Elastic sponsored or endorsed event, not exceeding \$300 in value per person per drawing, raffle, or lucky draw. Such awards could be in the form of gift certificates only if properly purchased with Elastic funds;
- Modest meals and refreshments in connection with ElasticON, Elastic lunch-and-learns, and similar workshops, channel partner summits, and similar events;
- Vouchers for attending on-line Elastic training and vouchers and gift cards for modest meals and refreshments in connection with such events;
- Gift certificates and gift cards properly purchased with Elastic funds and used as gifts for completing surveys or questionnaires concerning Elastic's products and services, not exceeding \$100 in value per person per survey or questionnaire;

- Dinners and entertainment events hosted and attended by an Elastician, including concerts, sporting events, spa outings, golf outings, etc., not exceeding \$300 in value per person per event; and
- Any gifts, meals, and entertainment given to private sector individuals expressly approved by a member of the Senior Leadership Team.

### **C. Elastic-sponsored travel and related hospitality of private sector individuals**

Building goodwill or strengthening working relationships is not in itself a sufficient reason to offer corporate hospitality or travel to private sector individuals. Elastic may provide corporate hospitality and travel to private sector individuals only if all of these conditions are clearly met:

- Corporate hospitality and travel serve legitimate business purposes (such as training the individual in the use of Elastic's products and services, enabling the individual's attendance at an Elastic-sponsored event as a speaker, presenter, or a special guest, or similar activity related directly to the promotion of Elastic's products and services);
- Their context and timing will not raise any suspicion of impropriety, such as a relationship to contract negotiation, competitive bid, or tender process;
- They are permitted under applicable laws and the policies of the recipient's organization;
- They are provided infrequently;
- Elastic's hospitality will only cover travel, accommodations, meals, and incidentals for the number of days spent on business events. Any additional expenditures will be solely at the guest's expense;
- Elastic will not pay any expenses for any spouses, family members, or others to accompany the guest for any portion of the trip;



- Elastic will pay the provider of services directly. Elastic will only reimburse the individual receiving the corporate hospitality and travel if Elastic receives legible, detailed, dated, and itemized invoices;
- Class of travel should be equivalent to the class of travel that would be provided to Elastic employees under the Elastic Travel and Expense Policy; and
- With an exception of hospitality and travel that has been expressly approved by a member of the Senior Leadership Team, all such hospitality offered to a private sector individual must be pre-approved in writing by a manager with a rank of a Vice-President or higher, who must consult with the Chief Ethics & Compliance Officer prior to giving the approval.

#### **D. Accepting gifts, meals, entertainment and travel**

Please be very careful and exercise good judgment when it comes to accepting gifts, meals, entertainment, and travel from customers, suppliers, and other third parties. Make sure you carefully follow the rules and procedures above with respect to your potential acceptance of anything of value from any third party. As long as you are offered something because you are an Elastician, and not purely because of your personal friendships and relationships, these rules apply. And remember that it is never appropriate to ask for any personal gift, regardless of value, when you represent Elastic! These restrictions apply to your immediate family members as well, if the motivation for any offered business courtesy is your role at Elastic.

#### **E. Documentation**

All business courtesies provided by any Elastician must be purchased with Elastic funds, comply with all internal Elastic procedures, be supported by receipts and appropriate backup documentation, and be properly recorded in Elastic's books and records.

## 4. Political Contributions

While Elastic may share its views with governments and politicians on matters affecting our business interests, Elastic does not directly or indirectly participate in party politics or make payments to political parties or individual politicians. Elastic's assets — including company funds, employees' work time, and company premises and equipment — must not be used for, or be contributed to, any political campaigns or other political activities under any circumstances in any country.

## 5. Charitable Contributions

Corporate charitable giving is a wonderful way to support the communities in which we conduct business operations and the causes that we champion. Unfortunately, there have been cases of companies and other organizations using gifts to charities as a clever disguise for an improper payment. In order to ensure that this will not happen at Elastic, all charitable donations using Elastic's funds must be authorized in writing by a manager with a rank of a Vice-President or higher, who must consult with the Chief Ethics & Compliance Officer prior to giving the approval.

We strongly encourage individual Elasticians to contribute to charitable, educational, and other social causes. These individual donations do not require any internal approvals, but Elastic will only match those of your contributions that clearly meet the criteria of our donation matching program.

## 6. Third-party Representatives

Elastic may be in violation of anti-bribery laws if it ignores signs that should have alerted the company that a third-party representative intended to make a bribe on Elastic's behalf. A third-party representative may be a consultant, agent, contractor, reseller, channel partner, or any other intermediary acting on Elastic's behalf. Therefore, prior to engaging any third party to represent Elastic, we need to carefully consider and, if appropriate, investigate the reputation and history of legal compliance of any proposed third-party representative. This investigation should be risk-based, meaning it should be proportional to the particular risks presented by such a third party in the context of a specific engagement. For example, an engagement outside of the United States of a third-party representative who is not internationally known and recognized as a reputable service provider should be preceded by the due diligence investigation. The investigation should be more detailed if the proposed services are to be delivered in a country perceived to have high levels of corruption, and even more so if the third party is likely to interact with any government officials. After due diligence is completed and any risks are addressed, the engagement of the third party must be documented by a written contract with anti-bribery language.

## 7. Red Flags

All Elasticians should be alert to any signs of potential corrupt behavior. The following are some of the less obvious signs, or red flags, that may arise:

- A person responsible for awarding a contract to Elastic requests to be invited to a legitimate Elastic-sponsored event and asks Elastic to cover the full cost of travel and room and board for herself and her guest for the duration of the event and a few extra days;
- In addition to negotiated contractual payment terms, Elastic is asked to make a charitable donation to a specific charity or similar organization;
- In addition to negotiated contractual payment terms, Elastic is asked to employ or offer an internship to a person;

- A government official, particularly one with discretionary authority over the business at issue, strongly recommends that Elastic hires a particular third-party representative;
- The third-party representative requests contract terms or payment arrangements that call for payment in cash, to someone else, or in another country or another country's currency (i.e., not where services are rendered or where the third party resides); or
- The third-party representative fails to provide sufficiently detailed invoices.

These and other red flags can arise at any stage of a transaction or a relationship and must be promptly investigated and appropriately addressed. If you become aware of any red flags but are not sure how to respond to them, you are required to immediately contact the Chief Ethics & Compliance Officer or the General Counsel.

## 8. Penalties

Bribery is always a violation of Elastic's policies and will result in disciplinary action, up to and including termination of employment.

Moreover, violations of anti-bribery laws can result in severe criminal and civil penalties for the individuals involved, including imprisonment, forfeiture of profits, and significant fines. Elastic will not reimburse any officer, director, employee, or anyone else for fines imposed on the individual for violation of anti-bribery laws, and the violator will be responsible for paying any amounts from their personal assets. In addition, Elastic will cooperate fully with law enforcement authorities in the investigation and prosecution of alleged violations of anti-bribery laws.

## 9. Reporting Violations or Potential Violations

If you have observed or are otherwise aware of, or if you have a reasonable suspicion of, a potential violation of any anti-bribery laws or this Policy, you must promptly take one of the following steps:

- Discuss the situation with your manager, who must immediately inform the Chief Ethics & Compliance Officer or the General Counsel;
- If your manager is involved in the situation or you are uncomfortable speaking with your manager, send an email to [ethics@elastic.co](mailto:ethics@elastic.co) or contact the Chief Ethics & Compliance Officer, Senior Vice President of Human Resources, General Counsel, or Chief Financial Officer. You will find all of these individuals' contact information on our Wiki pages dedicated to ethics and compliance;
- If the actual or suspected misconduct or irregularity pertains to an executive director of Elastic, you also have an option to report concerns directly to the Lead Independent Director of Elastic at the company's registered office at Keizersgracht 281, 1016 ED Amsterdam, the Netherlands;
- Anyone (including employees, contingent workers, vendors and all others) may submit complaints via the Ethics and Compliance Hotline by phone or via the web-reporting tool available at <https://www.elastic.co/about/trust>. You may choose to identify yourself or remain anonymous;
- In addition, if your complaint relates to accounting, internal controls or auditing matters, you may contact the Chairperson of our Audit Committee by sending an email to [ethics@elastic.co](mailto:ethics@elastic.co) or by writing to Elastic N.V., 800 West El Camino Real, Suite 350, Mountain View, California 94040, Attn: Chairperson of Audit Committee. We will forward all such communications to the Chairperson of our Audit Committee.

And remember, you have Elastic's unwavering commitment to protect all who have in good faith reported a complaint, or who assist in any related investigation, against any reprisal, threats, discrimination, harassment, retribution, or retaliation.

Finally, you always have a right to contact law enforcement or regulatory authorities, and nothing in this Policy limits any Elastician from making a good faith report or complaint to the appropriate authorities.

## 10. Amendments

We are committed to periodically reviewing and updating this Policy to reflect the changing legal and business environment. All amendments must be approved by the Board of Directors or the Audit Committee of Elastic.