

ZIP INFORMATION SECURITY POLICY

This Information Security Policy (“**Policy**”) describes the technical and organizational security measures implemented by Zip to secure the Solution. Zip may update or change its controls from time to time but will never materially decrease the level of security as set out in this Policy.

1. Definitions

Unless otherwise defined herein, all capitalized terms have the meaning given to them in the Zip Master Subscription Agreement (“**Agreement**”).

“**Data Breach**” means a breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorized disclosure of, or access to Customer Data.

“**Personal Data**” means any Customer Data relating to an identified or identifiable natural person or household.

“**Supervisory Authority**” means any regulator or regulatory body or supervisory authority in any country.

2. General Security Practices

Zip has implemented and shall maintain appropriate technical and organizational measures designed to protect Customer Data against accidental loss, destruction, alteration, unauthorized disclosure or access, or unlawful destruction, including the policies, procedures and internal controls as set forth in this Policy.

3. Information Security Organization

- 3.1 **Information Security Program.** Zip shall maintain a comprehensive written information security program (“**Program**”) that encompasses administrative, technical and physical controls designed to protect the confidentiality, security, integrity, and availability of Customer Data and with the aim of protecting against Data Breaches. Zip shall ensure the Program is consistent with global industry standards and appropriately tailored to the types of data processed by Zip.
- 3.2 **Information Security Personnel.** Zip’s Program shall be led by its Chief Technology Officer (“**CTO**”), who is responsible for its direction, governance, and oversight. To administer the Program, the CTO shall direct a team of highly qualified personnel with training and certifications specialized in information security.
- 3.3 **Information Security Review.** Zip’s Program and approach to managing information security shall be reviewed regularly and whenever significant changes occur, by appropriate internal and external assessors.
- 3.4 **Information Security Governance.** Zip shall establish and maintain an internal audit committee as a cross-functional leadership team to shape security programs and drive executive alignment in all security initiatives. The audit committee shall meet regularly to foster communication between operational teams and ensure security is considered in all projects.
- 3.5 **Policies and Procedures.** Zip shall maintain policies and procedures related to information security, confidentiality, and integrity. These shall be reviewed and updated at least annually and made available to employees. Employees must review and acknowledge these policies at onboarding and on an annual basis.

4. Human Resources Security

- 4.1 **General.** Zip shall ensure all personnel are subject to written confidentiality obligations and relevant Zip internal HR policies and shall inform personnel of the consequences of violation. Personnel who violate these shall be subject to disciplinary action up to and including termination.

4.2 **Training and Awareness.** Zip shall ensure that mandatory information security and data privacy training is provided to employees at onboarding and on a regular basis throughout employment to aid in the appropriate handling of Customer Data. Training shall be regularly reinforced by security awareness communications.

4.3 **Background Checks.** Zip shall conduct background checks on personnel in compliance with applicable law, including employment history, foreign employment, criminal background, credit check (when applicable), sex offender register, OFAC/Global Sanctions, and SSN Tracing.

4.4 **Third Party Security.** Zip shall implement a vendor management program to assess and monitor risk associated with service providers. Service providers shall be evaluated prior to onboarding and periodically throughout their engagement and are contractually obligated to security and confidentiality requirements.

5. Business Continuity Management

5.1 Zip shall maintain a Business Continuity and Disaster Recovery Program (“**BC/DR Program**”) designed to manage significant disruptions to operations and infrastructure, including cybersecurity incident response. The BC/DR Program shall include the following elements:

- (a) defined governance bodies and executive ownership;
- (b) full-time BC/DR professionals responsible for creating, managing, monitoring, and testing preparedness;
- (c) defined incident management organizations and escalation protocols;
- (d) established crisis communications strategies for all stakeholders;
- (e) identification of recovery time objectives;
- (f) thorough risk and impact assessments of locations and processes, including critical suppliers;
- (g) testing on at least an annual basis of all in-scope systems and components and tracked remediation for any issues identified during testing; and
- (h) continued maintenance and review of arrangements to respond to changing business requirements and risks.

5.2 **Data Recovery.** Where and as applicable, Zip shall design redundant storage and procedures for recovering data in its possession or control in a manner sufficient to reconstruct Customer Data in its original state on the last recorded backup.

6. Physical Controls

6.1 **Physical Access to Facilities.** Zip shall limit access to all office locations to authorized individuals. All office building entryways shall be monitored by building security personnel and/or CCTV and shall be access controlled at all times.

- (a) All personnel shall be issued entry and identification badges which must be carried at all times. Badges shall be deactivated upon employment termination.
- (b) All office visitors shall be logged and accompanied throughout the office.

6.2 **Physical Access to Equipment.** All Zip server rooms shall implement badge entry access controls to limit access to authorized personnel only.

6.3 **Protection from Disruptions.** Zip shall implement appropriate measures designed to protect against loss of data due to power supply failure or line interference.

7. Audits

7.1 **General.** Zip shall cooperate with reasonable requests by Customer for legally required audits of Zip's security and privacy practices. The time, duration, place, scope and manner of the audit must be mutually agreed by the parties.

7.2 **Audit Procedure.** On written request from Customer, Zip shall answer Customers' written questions about Zip's security and privacy practices. Customer may make one request per calendar year except if a Data Breach has occurred.

7.3 **Certifications.** Zip shall make available to Customer, upon written request and without undue delay, copies of any third-party audit reports or evidence of certifications it maintains (such as SSAE 16 –SOC2, attestations, or their equivalent under any successor standards) that apply to the Solution. Zip shall maintain SSAE 16 – SOC2 reports, or equivalent successor standards, for the duration of the Agreement.

7.4 **Regulatory Compliance.** Taking into account the nature of the request and to the extent reasonably feasible from a technical perspective, Zip shall provide Customer with any information necessary to enable Customer to comply with any applicable law or any request from a Supervisory Authority.

7.5 **Cooperation with Supervisory Authorities.** If a Supervisory Authority wishes to carry out an audit of Zip or its activities under the Agreement, Customer shall provide Zip with no less than 30 business days' notice, unless the Supervisory Authority has given less notice to Customer. Zip shall cooperate with the Supervisory Authority as they require.

8. Customer Data

8.1 Where Customer Data includes Personal Data, the parties will comply with their obligations in the Data Processing Policy found at <https://assets.ziphq.com/legal/zip-data-processing-policy-06-2024.pdf>.

8.2 **Cloud Data Storage.** Zip's Solution is hosted on AWS servers located in the United States. To review AWS's security documentation, please visit <https://aws.amazon.com/compliance/data-center/controls/>.

8.3 **Data Backups.** Backups shall be automated, encrypted, and performed multiple times daily.

8.4 **Logging and Monitoring.** Zip shall maintain logs of administrator and operator activity and data recovery events.

8.5 **Data Encryption.** Zip shall encrypt all Customer Data residing in or transiting to or from the Solution. Customer Data in transit is encrypted using TLS 1.2 or better. Data at rest in AWS S3 buckets, AWS RDS databases, and AWS EBS volumes are encrypted with AES-256.

8.6 **Return of Data.** Customer may export its data from the Solution at any time during the Term in accordance with the instructions in the Documentation.

8.7 **Data Disposal.** Within 30 days of termination of the Term, Zip will delete all live Customer Data that is not required to be retained by law. Any Customer Data that is retained will be managed in accordance with the terms of this Policy and the Data Processing Policy (where applicable) and deleted according to our retention policy.

9. Access Controls

9.1 **Access Management.** Zip shall employ access control mechanisms to prevent unauthorized access to Customer Data and systems that have access to Customer Data. Zip shall restrict access to Customer Data only to personnel whose access is necessary to provide the Solution.

(a) Zip shall maintain a record of personnel authorized to access Customer Data and review user access rights at regular intervals.

- (b) Zip shall have controls designed to avoid personnel assuming access rights beyond those that they have been assigned to limit unauthorized access to Customer Data.
- (c) At Customer's reasonable request, Zip shall promptly suspend or terminate access rights to Customer Data for Zip personnel reasonably suspected of breaching any of the provisions of this Policy. Zip shall remove access rights of all personnel upon termination of their employment.

9.2 **Secure Access Protocols.** Zip shall use secure access protocols and solutions such as firewalls, VPN, Zero Trust clients, and multifactor authentication to enforce logical access in the internal network environment.

9.3 **Application Password Management.** For users attempting to access the Solution, Zip shall require complex user passwords with length and complexity requirements. Zip shall ensure that deactivated or expired login credentials are not granted to other individuals. User passwords shall be hashed and salted using bcrypt.

9.4 **Application Authentication Controls.** Zip shall monitor repeated failed attempts to gain access to the Solution and shall lock out user accounts after multiple failed authentication attempts. Zip shall allow for Single Sign On (SSO) authentication with any standard SAML 2.0 identity provider.

9.5 **Role Based Access.** Zip shall provide granular user application privilege controls. User administrative accounts shall have the ability to assign user and group roles with varying levels of access privileges based on the user's or group's use of the Solution.

10. Data Breaches

Zip shall maintain procedures to ensure a timely and efficient response to a Data Breach.

Zip shall:

- (a) notify Customer without undue delay but no later than 72 hours after becoming aware of a Data Breach;
- (b) provide assistance and available information to Customer as reasonably requested to enable Customer to investigate, mitigate the effects of and remediate the Data Breach and comply with any breach notification obligations that apply to Customer under applicable law;
- (c) take steps to identify the cause of any Data Breach and put in place measures and take steps that Zip deems necessary to mitigate the effects of and remediate the Data Breach;
- (d) retain appropriate information and records about any Data Breach for a reasonable period of time;
- (e) cooperate with Customer, law enforcement, and any applicable Supervisory Authorities as reasonably required in relation to a Data Breach;
- (f) not reference or identify Customer when making any notification to a third party about a Data Breach unless required to do so by applicable law.

11. Communications Security

11.1 **Networks.** Zip shall use the following controls designed to secure its networks that access or process Customer Data:

- (a) Network traffic shall pass through firewalls, which are monitored at all times. Zip shall implement intrusion detection and/or prevention systems.
- (b) Network devices used for administration shall utilize industry standard cryptographic controls when processing Customer Data.

- (c) Anti-spoofing filters and controls shall be enabled on routers.
- (d) Network, application, and server authentication passwords shall have complexity requirements.
- (e) Zip shall have a policy prohibiting the sharing of user IDs, passwords or other login credentials.
- (f) Firewalls shall be deployed to protect the perimeter of Zip's networks.

11.2 **Access to Networks.** Zip shall employ the following controls when connectivity to Zip's network is required for processing Customer Data:

- (a) Connections shall be encrypted using industry standard cryptography (i.e. a minimum of 256 bit encryption);
- (b) Multifactor authentication shall be required for access.

12. Secure Development

12.1 **Development Requirements.** Zip shall have policies for secure development, system engineering, change control, and support. Zip shall conduct appropriate tests for system security as part of acceptance testing processes.

12.2 **Change Management.** Zip shall follow industry best practices for the tracking of application projects and source code changes. Task tracking software shall be used to provide an audit trail of all software changes and pull requests. All code shall be subject to testing, stakeholder approvals, and code review prior to release.

12.3 **Application Code Security Analysis.** Zip shall adhere to the OWASP Top 10 for secure coding practices. Static, dynamic and software composition analysis scans shall be performed on each major application release. If the scans reveal any material deficiencies or weaknesses, Zip shall promptly take such steps as may be required, in Zip's reasonable discretion, to remediate, taking into consideration their criticality based on their nature, severity and likelihood.

12.4 **Application Environment Security Analysis.** Zip shall periodically perform static and dynamic analysis scans and container environment scans. If the scans reveal any material deficiencies or weaknesses, Zip shall promptly take such steps as may be required, in Zip's reasonable discretion, to remediate, taking into consideration their criticality based on their nature, severity and likelihood.

12.5 **Supply Chain Management.** Zip shall manage and regularly scan its software supply chain libraries for vulnerabilities and license compliance. Zip shall promptly remediate any material vulnerabilities or instances of noncompliance that are identified.

13. Security Testing and Monitoring

13.1 **Testing and Monitoring Requirements.** Zip shall maintain policies and procedures for the ongoing testing and monitoring of Zip environments by internal and/or external parties, using industry standard tools and methodologies.

13.2 **Threat Management.** Zip shall maintain a threat management program to monitor both malicious and non-malicious threats. Identified issues shall be reviewed and investigated.

13.3 **Penetration Testing.** On at least an annual basis, Zip shall engage a trusted third-party security vendor to perform penetration tests to detect vulnerabilities. All identified vulnerabilities or weaknesses shall undergo a risk assessment process and shall be mitigated as appropriate.

13.4 **Remediation.** If the testing and monitoring described in this Section 13 reveal any material deficiencies or weaknesses, Zip shall promptly take such steps as may be required, in Zip's reasonable discretion, to remediate, taking into consideration their criticality based on their nature, severity and likelihood.