

<b>QAD INC. AND SUBSIDIARY COMPANIES CORPORATE POLICY</b>		Revision Level n/a	Policy No. CBP-0115
Title <b>Code of Business Conduct: Commercial Bribery 1-006</b>	Original Date <b>Jun 30, 1998</b>	Revision Date <b>Dec 13, 2016</b>	Page 1 of 2

## 1.0 PURPOSE

1.1 The Company is committed to its employees and agents maintaining ethical business relationships with suppliers and customers. This policy establishes and communicates the Company's policy prohibiting commercial bribery.

## 2.0 POLICY

2.1 The Company prohibits the payment of bribes, kickbacks and other payoffs, such as the transfer of Company funds, assets or benefits, to suppliers and customers by Company employees and agents and prohibits Company employees and agents, including those acting indirectly on the Company's behalf, from participating in such schemes in any manner.

2.2 The Company also prohibits employees and agents from receiving, directly or indirectly from a third party, anything of a significant value in connection with a transaction entered into by the Company.

2.3 Bribes, kickbacks and other payoffs include, but are not limited to:

2.3.1 Gifts of other than nominal value.

2.3.2 Cash payments by employees or third persons, such as agents, suppliers, customers or consultants.

2.3.3 The uncompensated use of Company services, facilities or property except as may be lawfully authorized by the Company.

2.3.4 Loans, loan guarantees or other extensions of credit (except from lending institutions at prevailing rates available on an arm's-length basis).

2.3.5 Investments or other purchases at an excessive amount below fair market value.

2.4 This policy does not prohibit expenditures of nominal amounts for meals and entertainment of suppliers and customers which are an ordinary and customary business expense, if

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they are otherwise lawful. These expenditures should be included on expense reports and approved under standard Company procedures.

2.5 For guidance regarding meals and entertainment for foreign officials, Corporate Policies CBP-0114, Bribes, Kickbacks, Other Unlawful Payments and Sensitive Transactions 1-005, and CBP-0116, International Business Relationships 1-007, apply.

### **3.0 OTHER REFERENCES**

3.1 Corporate Policy CBP-0114, Bribes, Kickbacks, Other Unlawful Payments and Sensitive Transactions 1-005.

3.2 Code of Business Conduct Policy CBP-0116, International Business Relationships 1-007