

<b>QAD INC. AND SUBSIDIARY COMPANIES CORPORATE POLICY</b>		Revision Level <b>n/a</b>	Policy No. CBP-0144
Title <b>Code of Business Conduct: United States Federal Government Contracting 1-016</b>	Original Date Jun 30, 1998	Revision Date Dec 11, 2018	Page 1 of 2

## 1.0 PURPOSE

1.1 This policy establishes standards, including employee training and nonconformance reporting guidelines, to ensure that the Company complies with federal regulations applicable to United States governmental contracts.

## 2.0 POLICY

2.1 The Company will comply with all regulations applicable to United States governmental contracts. All employees involved in the performance of work under United States governmental contracts are to be adequately informed and sufficiently trained in the policies and practices contained in this Code of Business Conduct and other Company policies, if any, specifically relating to such government contracting.

## 3.0 PROCEDURE

3.1 The Company shall take appropriate, timely action to correct any violations of United States governmental standards. If an employee has a question concerning the propriety of a transaction, the employee should report the transaction to the Legal Department.

3.2 When cost and pricing data are required to be submitted in order to respond to a government solicitation, the cost and pricing data must be current, accurate and complete at the time of submission. All costs are to be properly recorded, documented and retained in compliance with United States federal procurement regulations. Each business unit doing business with the United States government must invoice the government in strict compliance with United States governmental cost principles and other United States federal regulations.

3.3 United States governmental projects may involve classified or proprietary materials or information. In these projects, the Company will comply with all United States government security regulations in order to prevent unauthorized access, distribution or use of any classified information.

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3.4 The Company will comply with applicable United States federal statutes and regulations governing the employment of former United States military, Department of Defense or other federal employees. When the Company contemplates hiring a former United States governmental employee or engaging the employee as a consultant, the responsible business unit manager shall consult with the Legal Department for guidance as to the proper lawful procedures that must be observed.