

DISCLOSURE STATEMENT PURSUANT TO CALIFORNIA TRANSPARENCY IN SUPPLY CHAINS ACT OF 2010

QAD Inc. strongly condemns any form of forced labor, slavery and human trafficking and applauds efforts being made globally to eradicate such practices. QAD includes in all its contracts and/or purchase orders for materials incorporated into its products a requirement that suppliers comply with applicable laws, which include those related to employment. By signing a contract or accepting a purchase order, the supplier certifies that it conducts business in accordance with such laws, and failure to do so will be considered a breach of contract. QAD has in place internal policies and procedures to comply with applicable laws, including employment laws, and QAD employees who fail to follow established guidelines are subject to disciplinary action up to and including termination. The sources of materials incorporated into QAD's products are reputable companies located in the United States. Because it uses reputable suppliers who are governed by strict United States laws and who agree to comply with such laws, QAD has not at this time determined the need for additional verification, employee and management training, or independent audits.