

QAD INC. AND SUBSIDIARY COMPANIES CORPORATE POLICY		Revision Level n/a	Policy No. CBP-0135
Title Code of Business Conduct: Political Contributions 1-012	Original Date Jun 30, 1998	Revision Date Dec 13, 2016	Page 1 of 2

1.0 PURPOSE

1.1 The United States federal government, some states and some other countries have enacted Laws regulating campaign contributions in order to limit the political influence of certain types of contributors, such as corporations. This policy sets forth certain rules regarding Company and employee contributions to political candidates and participation in political campaigns.

2.0 POLICY

2.1 The Company will comply with applicable Laws regulating political influence and campaign contributions.

2.2 The Company believes strongly in the democratic political process and that its directors, officers, employees and agents should take an active interest in fostering principles of good government in the nations, states and communities in which they live. No employee or agent shall apply any pressure, direct or implied, on any other employee that infringes upon an individual's right to decide whether, to whom and in what amount a personal political contribution is to be made.

2.3 Employees and agents who represent the Company in political and governmental matters must comply with all Laws that regulate corporate participation in public affairs. Under various statutes, certain conduct, which is permitted and encouraged for individuals, is prohibited on the part of corporations. It is the Company's policy to comply fully with these prohibitions.

2.4 The Company is legally prohibited from making contributions and expenditures to influence federal elections in the United States and is similarly prohibited from making such contributions in certain states and other countries. However, under the Supreme Court's decision in Citizen's United v. FEC, the Company is permitted to use treasury funds to make "independent expenditures" as defined under applicable Law, provided that it complies with all applicable reporting requirements. This only applies to the United States. Similar contributions to non-US political parties are prohibited under Company policy.

2.5 No political contribution of Company funds, property or services can be made by the Company, or in the name of the Company, except in accordance with Law and a plan approved by the Board of Directors. Such approval is subject to assurance by the Law Department that such contribution is legal and proper under applicable Laws and regulations.

QAD INC. AND SUBSIDIARY COMPANIES CORPORATE POLICY		Revision Level n/a	Policy No. CBP-0135
Title <i>Code of Business Conduct:</i> Political Contributions 1-012	Original Date Jun 30, 1998	Revision Date Dec 13, 2016	Page 2 of 2

2.6 Notwithstanding paragraph 2.4 above, when permitted by Law and authorized by the Board of Directors, Company funds and facilities may be used to provide the needed administrative support for the formation and operation of a political action committee. The political action committee may solicit contributions from certain individuals affiliated with the Company, such as officers, shareholders, and employees, and the funds contributed to the political action committee may then be used to make contributions to, among others, candidates for federal office. The formation and operation of a political action committee are subject to complex rules and regulations. No Company funds, facilities or other property will be used other than for administrative support of such a committee in connection with candidates for federal office.

2.7 When permitted by Law, and authorized by appropriate management, expenditures of Company funds may be made to inform or influence the voting public on an issue of importance to the business of the Company and its stockholders.

2.8 Campaign contributions made by one person in the name of another are strictly prohibited. The Company is prohibited from reimbursing any individual for a campaign contribution that the individual has made to any candidate for elective office. No individual may make a campaign contribution and then be reimbursed by the Company for that campaign contribution.

3.0 PROCEDURE

3.1 If an employee is requested to make a political contribution or to provide assistance on behalf of the Company, whether personal or corporate, and such employee has any questions regarding this Policy or applicable Law, the employee should contact an appropriate member of management who will consult with the Legal Department.

4.0 OTHER REFERENCES

4.1 Corporate Policy CBP-0114, Sensitive Transactions 1-005.