

# Hybrid Software Group PLC business conduct and ethics code (the “Code of Ethics”)

## Article 1 - Business conduct and ethics policy

It is the policy of Hybrid Software Group PLC (the “Company”) that it and its subsidiary companies (together the “Group”) manage and operate worldwide business activities in conformity with applicable laws and regulations as well as with the highest ethical standards.

Both the Company’s Board of Directors (the “Board”) and the Group’s executive management are determined to comply fully with the applicable law and regulations, and to maintain the Group’s reputation for integrity, transparency, accountability, and fairness in business dealings with third parties.

## Article 2 - Scope of the Code of Ethics

A strict compliance with the provisions of this Code of Ethics is **mandatory** for every member of the Group’s Board, Executive Officers (as listed in Appendix 1 to this Code of Ethics), every Senior Executive (as listed in Appendix 2 to this Code of Ethics) and every Group employee at all Group locations.

All employees, Senior Executives, Executive Officers and directors of the Group are expected to adhere to all ethical and legal standards as outlined in this Code of Ethics and to preserve the Group’s integrity and reputation.

To ensure this:

- any newly appointed member of the Company’s Board of Directors will be required to subscribe to this Code of Ethics by signing a copy of it at the time of his/her appointment to the Board; and
- any newly appointed Senior Executive will be requested the same when joining the Group.

## Article 3 - Financial record-keeping

### 3.1 Full and fair disclosure policy

It is the policy of the Company to fully and fairly disclose the financial condition of the Group in compliance with the applicable accounting principles<sup>1</sup>, laws, rules and regulations<sup>2</sup>, and to make full, fair, accurate, timely and understandable disclosure in its interim and annual earnings reports and in other communications to analysts, investors and other stakeholders.

### 3.2 Everyone’s responsibility

All employees, Senior Executives, Executive Officers and directors of the Group have a responsibility to ensure that the Group’s accounting records do not contain any significant false or intentionally misleading entries, as information on which our accounting records are based is in the responsibility of every employee, Senior Executive, Executive Officer or director of the Group.

### 3.3 Honest and accurate recording and reporting of information

Honest and accurate recording and reporting of information is critical to management’s ability to make responsible and appropriate business decisions.

The Group’s accounting records are relied upon to produce reports for the Group’s management, investors, creditors and others (including bankers and insurers). Therefore, the Company’s interim and year-end consolidated and annual statutory financial statements as well as the books and records on which they are

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<sup>1</sup> International Financial Reporting Standards (IFRSs), as adopted by the European Union, since 1 January 2004.

<sup>2</sup> Including, but not restricted to, UK Company Law and other applicable laws and regulations resulting from the admission of the Company’s shares to trading on Euronext.

based must accurately reflect all transactions made by the Group and conform to all legal and accounting requirements, irrespective of where the Group's subsidiary is located.

Accordingly, any intentional misclassification of transactions as to accounts, nature of expenses or accounting periods is **strictly prohibited** and will involve disciplinary, and possible criminal, actions.

In particular, it is required that:

- all Group's accounting records, as well as reports produced from those records, are kept and presented in accordance with applicable laws and regulations in each jurisdiction where the Group operates;
- all records fairly and accurately reflect the transactions or occurrences to which they relate;
- all records fairly and accurately reflect in reasonable detail the Group's assets and liabilities, revenues and expenses, whether operating expenses or not;
- the Group's accounting records do not contain any intentionally false or misleading entries;
- all transactions are supported by appropriate documentation in reasonable detail and are recorded in the proper accounts and in the proper accounting period;
- all the Group's financial reports are prepared in accordance with generally accepted accounting principles in each jurisdiction in which the Group operates, and any required adjustments to accounting principles and methods used by the Company for the preparation of its interim and year-end consolidated accounts should be identified and reported to the Group's Chief Financial Officer ("CFO")<sup>3</sup>, as applicable;
- the Group's system of internal control, policies and rules is followed at all times.

#### **Article 4 - Improper use of the Group's funds or assets**

No payment or transfer of the Group's funds or assets shall be made that is not authorized, properly accounted for and clearly identified on the Group's books. Payment or transfer of the Group's funds and assets shall only be used as specified in the supporting documentation, as applicable.

#### **Article 5 - Bribery prohibition**

##### 5.1 Definition of bribery

Bribery is the offering, promising, giving, accepting or soliciting of a financial or other advantage as an inducement for an action which is illegal or a breach of trust, or to reward a person for having already done so. Similarly, are bribes any facilitation payments (also called 'facilitating', 'speed' or 'grease' payments), i.e. any small, unofficial<sup>4</sup> payments made to secure or expedite the performance of routine or necessary action to which the payer of the facilitation payment has legal or other entitlement.

##### 5.2 Group policy regarding bribery

It is the Group's policy to **strictly prohibit bribery in any form**, whether it takes place directly or indirectly through third parties.

In particular, every employee, Senior Executive, Executive Officer or director of the Group is **PROHIBITED** from:

- soliciting, arranging, or accepting bribes intended for his/her benefit or that of his/her family, friends, associates or acquaintances, and more generally, seeking or accepting, either directly or indirectly, any payments, fees, services, or other gratuities outside the normal course of their business duties from any other legal or natural person, Group or organisation that does or seeks to do business with the Group; and
- authorising any payment or using any of the Group's funds or assets for a bribe, a 'kickback' or any similar payment that is, directly or indirectly, for the benefit of any individual (including any local authority

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<sup>3</sup> See Appendix 1 for the CFO's contact details.

<sup>4</sup> Official and/or legally required administrative fees (e.g. visa fees) are NOT facilitation payments

or government official, agent or employee, anywhere in the world), Group or organisation in any country of the world, which is designed to secure favorable treatment for the Group.

However, the receipt of common courtesies, sales promotion items of nominal value, occasional meals and reasonable entertainment, **if** appropriate to a business relationship **and** associated with business discussions, are permissible.

Further guidance on this may be obtained from the CFO, as needed.

## **Article 6 - Political and charitable contributions and sponsorships**

### 6.1 Political contributions

It is the Group's policy **NOT TO CONTRIBUTE**, directly or indirectly through third parties, any of its funds or assets to any political party, committee, organisation, candidate for any office, or also any individual engaged in politics, in any jurisdiction where the Group has operations, as a way of obtaining advantage in potential or actual business transactions.

Employees of the Group may, on their own time, support individual candidates or political committees, all subject to applicable laws and regulations, and may make voluntary contributions to such candidates or committees on their own, private resources, **provided that** they do not do this using their position within the Group, or that this results in a conflict between their personal interests and those of the Group.

### 6.2 Charitable contributions and sponsorships

It is the Group's policy to contribute a very limited portion of the Group's funds to support certain charity and not-for-profit organisations, as the case may be, subject to prior approval by the Group's Chief Executive Officer ("CEO")<sup>5</sup>.

It is the CEO's responsibility to ensure that charitable contributions and sponsorships are not used as a subterfuge for bribery.

Regardless of whether or not it is a legal or statutory requirement to do so in the jurisdiction where such charitable contribution or sponsorship is made, the Group will disclose the amount and nature of its charitable contributions or sponsorships.

## **Article 7 - Business entertainment**

All solicitations or dealings with suppliers, customers, or others doing, or seeking to do, business with the Group (including potential employees, bankers, insurance brokers and any professional advisers) shall be conducted solely on a basis that reflects both the Group's best business interests and its high ethical standards.

The Group does permit the provision of common courtesies, entertainment, and occasional meals for potential or actual customers, suppliers, or others involved or seeking to be involved with the Group's business, **only if** done in a manner appropriate to the Group's relationship and associated business discussions.

Expenses incurred in that respect must be reasonable, customary and properly authorised.

## **Article 8 - Conflicts of interest**

The Group expects all employees, Senior Executives, Executive Officers and directors to exercise good judgement and the highest ethical standards in private activities outside the Group that in any way can affect the Group.

They shall at all times exercise particular care that **no detriment to the interest and reputation of the Group may result from a conflict of interest between those interests and any personal or business interests which the individual may have**. In particular, every employee, Senior Executive and director has an obligation to avoid any activity, agreement, business investment or interest, or other situation that might, in

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<sup>5</sup> See Appendix 1 for the CEO's contact details.

fact or in appearance, cause an individual to place his or her own interest, or that of any other person, organisation or entity, above his or her obligations to the Group.

The words "in appearance" should be noted particularly since the appearance of an action might tend to impair confidence even if the individual may not actually do anything wrong.

To this end, employees, Senior Executives, Executive Officers and directors<sup>6</sup> shall avoid any investments, associations or other relationships that could conflict with their responsibility to make objective decisions in the Group's best interests.

Any potential conflict of interest must be reported immediately to the manager of the staff member and to the Group's CEO and CFO. In the case of the Senior Executives listed in Appendix 2, conflicts of interests must also be reported immediately to the Group's Chairman of the Board.

### **Article 9 - Business opportunities**

No employee, Senior Executive, Executive Officer or director of the Group shall, for personal or any other person's or entity's gain, deprive the Group of any business opportunity or benefit which could be construed as related to any existing or reasonably anticipated future activity of the Group, including the filing of patent applications, or trademarks or other forms of intellectual property<sup>7</sup>.

Employees, Senior Executives, Executive Officers or directors of the Group who learn of any such opportunity through their association with the Group may not disclose it to a third party or invest in the opportunity without first offering it to the Group.

### **Article 10 - Confidentiality**

All employees, Senior Executives, Executive Officers and directors are responsible for safeguarding and keeping confidential any information the Group considers to be of a confidential or sensitive nature.

For the avoidance of doubt, such information includes, but is not limited to, financial reports (save trading updates as well as interim and year-end reports once they are released) and records, software source codes, marketing and strategic planning information, employee-related documents, intellectual property information as well as any information relating to potential customer contracts, mergers and acquisitions, share transactions, and other materials (whether in hardcopy or in electronic format, or otherwise) that the Group would not want disclosed to any unauthorised recipient, or that might be harmful to the Group, its business or its customers if disclosed, whether or not such information is marked "confidential".

Confidential information also includes information concerning possible transactions with third parties or information about the Group's customers, suppliers or other parties, which the Group is under an obligation to maintain as confidential.

Employees, Senior Executives, Executive Officers and directors shall not use Group confidential information for their own personal benefit or the benefit of persons or entities outside the Group, and shall exercise caution and discretion with respect to any appropriate temporary removal of confidential or sensitive information from the Group's premises or information systems, and shall have a duty to safeguard the information from unintended disclosure or loss, including at their homes and while travelling.

Employees and Senior Executives must at all times adhere to the Group's policies regarding the transmission and storage of the Group's confidential and sensitive business records, notably when using e-mails or over the Internet.

### **Article 11 - Compliance with laws and regulations**

#### 11.1 Mandatory compliance

It is mandatory for the Group's employees, Senior Executives, Executive Officers and directors to comply with all applicable laws, regulations and rules in every country where the Group does business.

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<sup>6</sup> In the case of the Company's directors, any specific rules as set out in the Board of Directors Charter also apply.

<sup>7</sup> Please also refer to applicable provisions of your employment contract for further guidance on this.

Violation of domestic or foreign laws and regulations may subject an individual, as well as the Group, to civil and criminal penalties, as the case may be.

### 11.2 Prompt alert of management

Employees have an obligation to promptly alert management of any deviation from applicable laws and regulations, but also internal policies and procedures (See also article 13 for further guidance).

### 11.3 Insider dealing

Using material inside information for trading in the Company's financial instruments in one's name, in another name, or for "tipping" other to trade, is both unethical and illegal. For further guidance, please refer to the Group's Code of Dealing in Financial Instruments, a copy of which may be obtained on request sent by e-mail to the Group's CFO.

## **Article 12 - Fair dealing**

Each employee, Senior Executive, Executive Officer and director should endeavor to deal fairly with the Group's suppliers, competitors and employees. No one should take unfair advantage of another through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any unfair-dealing practice.

Information about the Group's competitors shall only be used in an ethical manner and in compliance with applicable laws and regulations. Under no circumstance, should information be obtained through theft, illegal entry, blackmail, or electronic eavesdropping, or through employees misrepresenting their affiliation with the Group or their identity.

Any proprietary or non-public information about the Group's competitors should not be used if it is suspected that such information has been obtained improperly.

## **Article 13 - Duty to report violations and possible consequences**

### 13.1 Prompt reporting of violations

Each employee, Senior Executive, Executive Officer and director is responsible for promptly reporting to the Group any circumstances that such person believes in good faith may constitute a violation of this Code of Ethics. Suspected violations are to be reported on a confidential basis to Guido Van der Schueren, Chairman of the Board, ideally by e-mail to [guido@hybridsoftware.com](mailto:guido@hybridsoftware.com).

### 13.2 Possible consequences

No retribution against any individual who reports violations of this Code of Ethics in good faith will be permitted. However, the reporting of a violation will not excuse the violation itself. The Group will investigate any matter which is reported and will take any appropriate corrective action.

In addition, violations of the foregoing provisions may expose the Group and the individuals involved to lawsuits and possible criminal action. Staff members who violate this Code of Ethics are subject to appropriate disciplinary action, up to and including termination of their employment with the Group.

## **Article 14 - Revisions of this Code of Ethics**

The Company's Board may decide to revise and amend the Code of Ethics at its entire discretion, notably to ensure it complies with applicable legal and regulatory provisions. Such changes will become effective only after approval of such changes by majority vote of the Board.

## **Appendix 1 - Contact details for the Group's Executive Officers**

### **Michael Rottenborn Chief Executive Officer**

Email address: [mike.rottenborn@hybridsoftwaregroup.com](mailto:mike.rottenborn@hybridsoftwaregroup.com)

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Address: Hybrid Software Group PLC  
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### **Joachim Van Hemelen Chief Financial Officer**

Email address: [joachimvh@hybridsoftware.group](mailto:joachimvh@hybridsoftware.group)

Phone: + 32 494 62 89 43

Address: HYBRID Software Development NV  
Guldensporenpark 18  
Block B  
9820 Merelbeke  
Belgium

## **Appendix 2 - The Group's Senior Executives**

- Clive Ayling, President (Inkjet Division)
- Justin Bailey, President (Graphics Division)
- Patrick Coussement & Nick De Roeck, Co-Presidents (Packaging Division)
- Karen Crews, President (Printing Division)
- Matthew Gosnell, Group Chief Information Officer
- Floris De Ruyck, In-house Counsel and Investor Relations
- Christopher Graf, Chief Marketing Officer

### **Appendix 3 - Useful references**

Transparency International, Business Principles for Countering Bribery (2<sup>nd</sup> edition, 2009)

[http://www.transparency.org/global\\_priorities/private\\_sector/business\\_principles](http://www.transparency.org/global_priorities/private_sector/business_principles)

Transparency International, adequate procedures and guidance on the Bribery Act 2010

<http://www.transparency.org.uk/our-work/business-integrity/bribery-act/adequate-procedures>

UK Ministry of Justice guidance on Bribery Act

<http://www.justice.gov.uk/downloads/legislation/bribery-act-2010-guidance.pdf>