

**EAGLE PARENT, INC  
EPICOR SOFTWARE CORPORATION  
ACTIVANT SOLUTIONS, INC.**

**FOREIGN CORRUPT PRACTICES ACT  
COMPLIANCE POLICY**

(As Adopted - July 2011)

**1.0 FOREIGN CORRUPT PRACTICES ACT COMPLIANCE POLICY (“FCPA Policy”)**

**1.1 Introduction**

Eagle Parent, Inc., Activant Solutions, Inc., and Epicor Software Corporation (hereinafter collectively “Epicor” or “the Company”) is committed to maintaining the highest level of professional and ethical standards in the conduct of its business in all countries in which it operates or otherwise has business connections, including the United States. The Company’s reputation for honesty, integrity, and fair dealing is an invaluable component of the Company’s financial success, and of the personal satisfaction of its employees.

One of the U.S. laws directly relevant to that commitment is the U.S. Foreign Corrupt Practices Act, known as the FCPA. The FCPA is a criminal statute that prohibits all U.S. companies and persons from corruptly offering, promising, paying, or authorizing the payment of anything of value to any foreign official to influence that official in the performance of his or her official duties. This prohibition applies whether the offer or payment is made directly, or through a third person. Thus, in some instances, the Company could be held liable for payments made by its joint venture partners or sales agents. The FCPA also requires the Company to maintain an accounting system that ensures reasonably detailed and accurate records of all of its financial transactions and a system of internal accounting controls that protects against off-book accounts and disbursements and other unauthorized payments. The penalties for violating the FCPA are very severe and potentially devastating to both the Company and the individuals involved.

This Policy is intended for use by all Company personnel, including subsidiaries, affiliates and agents, to ensure compliance with the FCPA. It provides details concerning the requirements of the FCPA and the compliance procedures that must be followed by all Company personnel. To implement this Policy effectively, every person in our Company must make a personal commitment to it. While we do not expect every person in the Company to become an expert in the FCPA, we do expect every employee to adhere to the Company’s ethical standards, to be cognizant of the FCPA and other applicable laws that relate to the issue of improper payments, and to seek guidance from the Chief Financial Officer or General Counsel whenever any uncertainty regarding those laws or standards arises.

**1.2 Summary of the FCPA**

The FCPA has two major components: (1) the antibribery prohibitions; and (2) the accounting provisions. Both components apply to the Company's business activities conducted in the United States and abroad. The FCPA antibribery prohibitions disallow a U.S. company or its employee or representative from giving, paying, promising, offering, or authorizing the payment, directly or indirectly through a third party, anything of value to any "foreign official" (a broad term whose scope is discussed in Section 1.3 below) to persuade that official to help a company, or any other person, obtain or keep business. The FCPA bars payments even if: (1) the benefit is for someone other than the party making the payment; (2) the business sought is not with the government; (3) the payment does not work and no business is awarded; or (4) the foreign official initially suggested the payment.

The FCPA also requires the Company and its majority-owned affiliates to keep accurate and complete records of the financial transactions in which it engages and to devise and maintain reasonable internal accounting controls aimed at preventing and detecting FCPA violations (collectively referred to as the "accounting provisions"). The Company must make good faith efforts to ensure that the ventures in which it owns a minority interest and the third parties it engages to perform work on the Company's behalf also keep such records.

Compliance with the FCPA must be undertaken on a case-by-case basis and can be complex. Employees should not try to solve FCPA problems on their own. If a question arises regarding any improper payment related issue, please consult immediately with the Chief Financial Officer or General Counsel.

### **1.3 Who is a Foreign Official?**

The term "foreign official" is defined broadly under the FCPA. Foreign officials include all paid, full-time employees of a non-U.S. government department or agency (whether in the executive, legislative or judicial branches of government and whether at the national, provincial, state or local level). Government officials can also include part-time workers, unpaid workers, individuals who do not have an office in a non-U.S. government facility, and anyone acting under a delegation of authority from a non-U.S. government to carry out government responsibilities. They also include officers and employees of companies or entities which have non-U.S. government ownership or control, such as state-owned enterprises and government-controlled universities and hospitals. Any questions about an individual's potential government status should be raised with the General Counsel.

It is important to note that the FCPA prohibits payments to individual "foreign officials." *Bona fide* payments to a government entity are not prohibited unless the Company has some reason to know that the payment will actually end up in the hands of an individual official.

### **1.4 Prohibited Payments**

The law prohibits offering, promising, or giving "anything of value" to a foreign official to get or keep business. Thus, it is not limited to cash payments. Gifts, entertainment, excessive business promotional activities, covering or reimbursing expenses of foreign officials, in-kind or

political contributions, investment opportunities, subcontracts, stock options, and similar items provided to foreign officials are all things of value that can violate the FCPA.

The FCPA contains a narrow exception that allows for “facilitating payments,” which are payments of a nominal amount made to ensure non-discretionary governmental actions, such as processing visas or business permits. The exception does not cover payments made to induce a government official or employee to ignore his or her lawful duty or to exercise discretion in the award of business.

Despite this exception, **it is against Company policy to make facilitating payments** (unless the health or safety of an employee is at risk). If you have any question whether a payment qualifies as a facilitating payment or whether an exception may be granted from this Policy to make a facilitating payment, contact the Chief Financial Officer or General Counsel. If a facilitating payment must be made to ensure the health or safety of an employee, the event should be fully and properly reported to the Chief Financial Officer or General Counsel within forty-eight hours.

## 1.5 Permissible Payments

The two sections below provide limited exceptions to the general prohibition against providing anything of value to a foreign official. If you have any doubt whether a payment falls within these exceptions, consult with the Chief Financial Officer or General Counsel prior to engaging in the transaction.

### 1.5.1 Gifts and Entertainment

It is customary in many parts of the world to occasionally give nominal gifts to customers and other parties that have a business relationship with the Company. Generally, a nominal gift can be made by a Company employee to a foreign official without violating the FCPA if: (a) the giving of the gift does not meet the elements of an FCPA violation (*i.e.*, the gift is not given to obtain or retain business or gain an improper advantage); (b) the gift is lawful under the written laws of the country where the gift is being given; (c) the gift constitutes a bona fide promotion or goodwill expenditure; (d) the gift is not in the form of cash; (e) the gift is of nominal value (on an individual and aggregate basis); and (f) the gift is accurately recorded in the Company’s books and records.

While no dollar amount is specified under the FCPA, in general, Epicor employees and third parties working on behalf of the Company may not give gifts with a value of more than US\$50.00 to a foreign official without obtaining the prior written approval of the General Counsel for the Company. Provided the above-described requirements are met, however, gifts with a value of US\$50.00 or less may be given to a foreign official with prior written approval from the employee’s manager following notice to the applicable regional financial director. For Epicor promotional or advertising items with a value of less than US\$50.00, such as pens or coffee mugs, no approval is necessary. The number of items given, however, must be reasonable and the gift must otherwise abide by the above-described requirements.

If you have any doubt whether a payment falls within this exception, contact the Chief Financial Officer or General Counsel.

### 1.5.2 **Business Expenses**

The FCPA permits companies, including Epicor, to provide certain types of entertainment and transportation to foreign officials provided that such entertainment and transportation expenses are: (a) bona fide and related to a legitimate business purpose (*i.e.*, not provided to obtain or retain business or to gain an improper advantage); (b) reasonable in amount; and (c) legal under the written laws of the foreign official's home country.

For local business meals, entertainment, and transportation expenses that otherwise adhere to the above-described requirements and are less than US\$50.00 per person per expense, prior written approval must be obtained from the employee's supervisor. For local business meals, entertainment, or transportation expenses exceeding US\$50.00 per person per expense, prior written approval must also be obtained from the Chief Financial Officer or General Counsel. In situations where pre-approval is impractical or impossible, the event should be fully and properly reported to the Chief Financial Officer or General Counsel within forty-eight hours.

For all non-local transportation and travel-related expenses, including but not limited to airfare, accommodations, and entertainment and meals during a trip, written pre-approval is required by the Chief Financial Officer or General Counsel.

### 1.6 **Third-Party Liability**

The FCPA establishes liability for payments made indirectly to an official as well as payments made directly. The Company and individual directors, officers or employees may be liable for a payment made by a third party, such as a joint venture partner, agent, or consultant, if the Company makes a payment or transfers other value to that third party "knowing" that it will be given to a government official. Under the FCPA, firm belief that the third party will pass through all or part of the value received from the Company to a government official, or an awareness of facts that create a "high probability" of such a pass-through, also constitute knowledge under this law. As such, third parties must be investigated prior to their engagement with the company to ensure their commitment to FCPA compliance. When seeking to engage a third party, please contact the General Counsel for assistance in investigating the third party's background and reputation, also referred to as conducting due diligence.

Company personnel should be particularly alert to any "red flags" that may be encountered during due diligence or in transactions with third parties. "Red flags," as discussed in more detail below, can arise with any third parties involved with the Company's foreign business operations, but arise more frequently in dealings with joint venture partners and foreign agents (such as promoters, sales agents or consultants). The basic rule is simple: a red flag cannot be ignored, it must be addressed.

"Red flags" can arise at any stage of a transaction -- during due diligence, during contract negotiations, in the course of operations, or at termination. "Red flags" that do not present serious issues at one stage of a transaction or relationship may pose significant liability

risks when they appear at a different stage or in combination with a different overall set of facts. Thus, the significance of “red flags” must be considered in context rather than in isolation. All “red flags” must immediately be investigated and appropriately addressed. If you become aware of facts that may be “red flags” but are not sure how to respond to them, you should immediately contact the General Counsel.

The following are some “red flags” that frequently arise in with third parties involved in non-U.S. operations:

- A reference check reveals the third party’s flawed background or reputation;
- The transaction involves a country known for corrupt payments;
- The third party is suggested by a government official, particularly one with discretionary authority over the business at issue;
- The third party objects to FCPA representations in Company agreements;
- The third party has a close personal or family relationship, or a business relationship, with a government official or relative of an official;
- The third party requests unusual contract terms or payment arrangements that raise local law issues, such as payment in cash, payment in another country’s currency, or payment in a third country;
- The third party requires that his or her identity or, if the third party is a company, the identity of the company’s owners, principals or employees, not be disclosed;
- The third party’s commission exceeds the “going rate” or must be paid in cash;
- The third party indicates that a particular amount of money is needed in order to "get the business" or "make the necessary arrangements";
- The third party requests that the Company prepare or accept false invoices or any other type of false documentation; or
- The third party requests payment in a third country (*i.e.*, not where services are rendered, or where the third party resides), or to an account in another party’s name.

All contracts with foreign agents must contain appropriate provisions requiring the agent to comply with the FCPA. Moreover, all third parties will be required to sign an FCPA compliance certificate indicating their understanding of the law and the Company’s policy.

## 1.7 Joint Ventures

Epicor is potentially liable for the activities of its joint venture partners, and of its joint venture entities themselves, whether it is a majority or minority owner or partner. In either case, the Company must take reasonable steps to ensure the venture's activities comply with the FCPA antibribery prohibitions and recordkeeping requirements. Such steps do not impose an affirmative duty to investigate each and every action performed by a joint venturer. Rather, in the event that the Company learns of a joint venturer's potential or real violation, or if the Company becomes aware of FCPA-related red flags related to the joint venturer's activities, Epicor should take reasonable steps to determine and/or prevent a violation from occurring.

While all Company personnel must be a part of the compliance effort, directors and officers in foreign ventures may face issues appropriately presented to those in a management role, and must be prepared to address them. For example, as a minority partner, Epicor may not always have the power to stop an improper payment from happening. Nonetheless, the Company must take every step available to it to prevent such occurrences.

## **1.8 Accounting Provisions**

As mentioned above, the FCPA imposes strict accounting, recordkeeping and internal controls requirements on "issuers," including Epicor, in its foreign operations. For these reasons and as a matter of Company policy, Epicor personnel must accurately and completely describe all expenditures, including facilitating payments, and should never inaccurately describe or seek to mischaracterize the nature or amount of a transaction. All records relating to FCPA compliance matters shall be maintained for a minimum of five years, and diligent efforts should be used to maintain original documents. Company personnel should never accede to requests for false invoices or for payment of expenses that are unusual, excessive, inadequately described, or otherwise raise questions under this Compliance Program. Moreover, Company personnel should ensure that all transactions are executed in accordance with management's authorization and that there are no off-book accounts or unauthorized payments. Consult the Chief Financial Officer or General Counsel if you have any questions or concerns regarding these requirements.

## **1.9 Penalties**

The SEC and the Department of Justice share enforcement responsibility for the FCPA.

### **1.9.1 Violations of Antibribery Provisions**

Criminal penalties for violations of the FCPA's antibribery provisions can be quite severe. Corporations and other business entities are subject to a fine of up to \$2,000,000 per violation. Officers, directors, stockholders, employees, and agents are subject to a fine of up to \$100,000 per violation and imprisonment for up to five years. Under federal criminal laws other than the FCPA, individuals may be fined up to \$250,000 or up to twice the amount of the gross gain or loss if the defendant derives economic gain from the offense or causes economic loss to another person.

The Attorney General or the SEC may bring a civil action for a fine of up to \$10,000 per violation against any "issuer" as well as any officer, director, employee, or agent of a firm, or stockholder acting on behalf of the issuer, who violates the antibribery provisions.

### **1.9.2 Violations of Accounting Provisions**

The accounting provisions provide for penalties similar to those levied for most securities law violations, such as civil injunctive action or monetary penalties. Penalties for issuers typically range between \$50,000 and \$500,000.

Penalties for willful violations are more severe. Individuals who willfully violate the accounting provisions face fines of up to \$5,000,000 per violation, imprisonment of up to 20 years, or both. Issuers that willfully violate the accounting provisions face fines up to \$25,000,000 per violation.

### **1.10 Reporting Violations**

Any employee or third party acting on behalf of the Company who learns of or suspects a violation of this Policy should promptly report the matter to the Chief Financial Officer or General Counsel. You may also report the matter on a confidential (and, at your choice, anonymous) basis through Ethicspoint by going to their website at [www.ethicspoint.com](http://www.ethicspoint.com) or by calling them toll-free at 1-866-384-4277.