



## **Code of Conduct and Business Ethics**

### **I. Introduction**

Our vision at Progress Software Corporation and all of its subsidiaries (which we refer to as “we”, “us” “our” or “Company” in this Code of Conduct and Business Ethics) is to enable the rapid development and deployment of powerful business applications that are driven by data and unlimited by device or cloud.

Inherent in this desire to lead our market are our values of:

- Integrity
- Reliability
- Simplicity
- Commitment

We have developed this Code of Conduct and Business Ethics (the “Code”) to help ensure compliance with our values, standards of business conduct, and applicable legal requirements. This Code applies to all employees, and our Board of Directors. All Board members and employees are expected to read and understand this Code, uphold the standards set forth herein in their day-to-day activities and comply with applicable policies and procedures. Violation of the standards outlined in this Code is grounds for disciplinary actions up to and including immediate discharge or removal and possible legal prosecution.

### **II. Compliance is Everyone’s Responsibility**

All employees and Board members are responsible for compliance with this Code. The following set of policies will help you to make decisions and choices that incorporate both our corporate mission and values into our everyday jobs. It is important that you understand our position on basic ethical and legal issues that affect the way we do business globally.

We expect you to comply with all local, state, U.S. federal, country and international laws, as well as other appropriate private and public regulatory agency requirements and act in accordance with both the letter and the spirit of those laws and regulations. You should let common sense and good judgment be your guide when faced with questions of business conduct, remembering that you, your fellow employees, and Board members are responsible for upholding our reputation as a fair and ethical business competitor.

It is our intention that this Code be its written code of ethics required under Section 406 of the Sarbanes-Oxley Act of 2002 and in compliance with the standards set forth in Securities and Exchange Commission Regulation S-K Item 406.

### **III. Do we have a compliance structure?**

We have established a compliance structure which designates Steve Faberman, Chief Legal Officer, as the Chief Compliance Officer with the responsibility for oversight of our compliance efforts. To assist the Chief Compliance Officer in the performance of his duties, we have established the Office of the Chief Compliance Officer (the "Compliance Office"), which is responsible for developing and conducting ethics and compliance programs and activities that support an ethical work environment. Additionally, the Compliance Office is responsible for conducting any investigations of a claimed violation of our ethics and compliance programs or activities.

The membership of the Compliance Office currently consists of three individuals who are knowledgeable about this Code. These individuals are the Chief Compliance Officer, the Chief Talent Officer, and Director of Internal Audit.

The Compliance Office's purpose and responsibilities are to:

- Develop, implement and maintain an effective ethics and compliance program through education, training and an annual employee compliance initiative.
- Provide channels for employees, vendors and customers to report suspected ethics violations and provide ethical guidance. These channels include a dedicated compliance "hotline" maintained by a third party to anonymously report violations as well as an e-mail address and an external mailing address for written communication of violations exists.
- Oversee the investigation of allegations of violations of this Code.

### **IV. How do you report concerns about policy violations?**

A critical component of your ethical responsibility is to help enforce this Code. You should be alert to and report possible violations. A report can be made in one of the following ways:

- By contacting your manager;
- By contacting your human resources representative;
- By contacting the Chief Compliance Officer or any member of the Compliance Office;
- By calling the independent third party ethics and compliance "Hotline" (referred to as "ALERTLINE") that has been established for the reporting of violations. "ALERTLINE" may be accessed in the U.S. by dialing toll-free 1-877-277-3165.

If dialing the ALERTLINE from an international location:

- 1) Enter the AT&T direct access number for the country you are calling from (each country has its own access number - AT&T access numbers, as well as other useful

information regarding international toll-free calling may be found at <http://www.usa.att.com/traveler/index.jsp>).

- 2) When you hear the voice prompt or series of tone prompts then enter the toll-free "ALERTLINE" number (877-277-3165). Do not press "1" or "0" before entering the toll-free number.
- 3) The call will be connected to "ALERTLINE".

The ALERTLINE service is available 24 hours a day, seven days a week. **Reports made using the ALERTLINE can be made anonymously.**

- By submitting a written report to the Compliance Office ([conduct@progress.com](mailto:conduct@progress.com)) or directly to the Chief Compliance Officer using internal or external mail. The external mailing address is:

Steve Faberman, Chief Compliance Officer  
Progress Software Corporation  
14 Oak Park, Bedford, MA 01730  
USA

All reports by employees will be handled confidentially and sent to the Compliance Office for immediate review. Those reports relating to accounting and auditing matters will also be sent to the Chairman of the Audit Committee of the Board of Directors for immediate review.

Managers and human resources representatives receiving a report of a violation or suspected violation should immediately advise the Compliance Office. All reports, including those made anonymously, will be investigated by the Compliance Office. A final determination will be made based on the facts and appropriate corrective action will be taken when necessary.

We will not tolerate threats or acts of retaliation against any person who has in good faith reported a violation or a suspected violation of law, this Code or other Company policies. Employees are prohibited from retaliating or taking adverse action against anyone raising suspected conduct violations or helping to resolve a conduct concern. Any individual who has been found to have engaged in retaliation against an employee for raising, in good faith, a conduct concern or for participating in the investigation of such a concern may be subject to discipline up to and including termination of employment or other business relationship. Any individual who believes he or she has been subjected to retaliation is encouraged to report the matter as soon as possible utilizing the means described above. Please note, it is a violation of the Code for any person to make a report that the person knows is false or that the person makes with reckless disregard as to whether the report is true.

If you have any questions regarding the applicability or interpretation of this Code, other Company policies or laws, you should address your questions with your manager, human resources representative or the Compliance Office. All managers are to maintain an "open door" policy regarding employee questions.

## **V. Your Responsibilities to the Company and its Shareholders**

### ***A. Work Environment***

We expect all employees to exercise good judgment to ensure the safety and welfare of employees and to maintain a cooperative, efficient, positive, harmonious and productive work environment and business organization. These standards apply while working on our premises, at offsite locations where our business is being conducted, at Company-sponsored business and social events, or at any other place where you are a Company representative. Employees should report to work in a condition to perform their work duties. The use or possession of illegal drugs in the workplace will not be tolerated. Employees who engage in misconduct or whose behavior is unsatisfactory or unbecoming may be subject to corrective action, up to and including termination.

In addition to this Code, we have other policies that relate to conduct that all employees should periodically review. The policies are located on MyProgress and are listed below for reference.

- Electronic Communication Policy
- Employee Protection Policy
- Insider Trading Policies
- Policy Opposing Harassment
- Social Media Policy
- IT Security Policy
- Privacy Policy
- Employee Proprietary Information and Confidentiality Agreement

### ***B. Compliance with Laws***

We take our responsibilities to comply with laws and regulations very seriously and you are expected to comply with applicable legal requirements and prohibitions. While it is impossible to know all aspects of every applicable law, you should understand the major laws and regulations that apply to us and our operations, some of which are described in this Code.

You should acquire appropriate knowledge of the requirements relating to your duties sufficient to enable you to recognize potential dangers and to know when to seek advice from the Compliance Office on specific Company policies and procedures. Violations of laws, regulations, rules and orders may subject the employee, agent or contractor to individual criminal or civil liability, as well as to discipline by us. Individual violations may also subject us to the loss of business or civil and/or criminal liability.

### ***C. Use of Company Resources***

You are expected to use Company assets and resources responsibly and for legitimate business purposes. We expect every employee to be prudent about expenditures of Company funds. You must use good judgment and discretion when using any Company or customer-owned resources, including computers, telephones, internet access, email, voicemail, copiers, fax systems, vehicles, other equipment and facilities.

We realize that minor, incidental and infrequent personal use of Company assets is sometimes inevitable and will accept such use as long as it does not compromise our interests. Personal use is not acceptable if it significantly depletes the value of a Company asset, adds significant costs to us, interferes with productivity of the employee or places us at risk of liability.

We do not intend to intrude on your privacy. However, we do reserve the right to search your work space or any other Company property assigned to you during the workday or while on our or customer property to enforce our policies, as permitted by law.

#### ***D. Corporate Opportunities***

You may not exploit for your own personal gain business or investment opportunities that are offered to you or discovered through the use of Company property, information or position unless the opportunity is disclosed fully to your manager and the Compliance Office. You may not use Company property, information or position for improper personal gain and you may not compete with us directly or indirectly.

#### ***E. Protecting the Company's Proprietary and Confidential Information***

Our confidential and proprietary information is an important asset in our operations. The unauthorized use or disclosure of confidential and proprietary information is strictly prohibited. When you joined us, you signed an agreement to protect and hold confidential our proprietary information. This agreement remains in effect for as long as you work for us and after you leave. Under this agreement, you may not disclose our confidential information to anyone or use it to benefit anyone other than us.

At times, we may be required to disclose confidential and proprietary information to potential business partners. The potential benefits and risks of disclosure must be reviewed with your manager. If the review with management indicates that disclosure of confidential and proprietary information is necessary, our Legal Department should be contacted to ensure that an appropriate, written nondisclosure agreement has been signed by all parties. The approved, signed nondisclosure agreement should be in place before any disclosure occurs.

Everyone is responsible for ensuring that confidential and proprietary information is protected from theft, damage, unauthorized disclosure or inappropriate use. This information should always be stored in a safe manner. In addition, each of us is responsible for preventing the accidental disclosure of confidential and proprietary information by remembering that you can be overheard in public places such as airplanes, restaurants and when using mobile communication devices.

No financial information other than required by statutory-reporting requirements may be disclosed without the prior approval of the Chief Financial Officer or Chief Accounting Officer. All inquiries or calls from the press should be referred to the Corporate Marketing and all financial analyst calls referred to the Sr. Director, Investor Relations. Requests from customers or the public to provide non-public financial information must be reviewed with the Chief Financial Officer.

## ***F. Protecting Information Owned By Others***

We respect the rights of other companies to their proprietary information and require our employees to fully comply with both the spirit and the letter of U.S. and foreign laws and regulations protecting such rights, including patent, trademark and copyright laws.

### **1. Receipt of Third Party Confidential Information**

Information about other companies should be treated with sensitivity and discretion. Any information about other companies should be used in the proper context and should only be made available to other Company employees with a legitimate need to know.

### **2. Compliance with Agreements**

To the extent that you are a party to a valid agreement with someone other than the Company (e.g., a former employer) that restricts you from performing activities for us (including for example using specified information or performing recruiting activities), you must bring that agreement to the attention of your manager and HR representative and use reasonable efforts to comply with that agreement.

### **3. Third Party Software**

To avoid violating the law and/or licensing requirements of third parties, as well as to minimize the risk of computer viruses, you should take special care when acquiring software (which includes computer programs, databases and related documentation) from third parties. This applies both to purchased software and to software that is made available without charge, via the Internet or otherwise. The terms and conditions of software license agreements--such as provisions not to copy or distribute programs--must be reviewed and followed. In no event should you copy any such software into any development work you do for us unless we have entered into an agreement with the owner of such software permitting such activity or, in the case of "open source" or "free" software, such use has been approved in accordance with our policies regarding such software. If you have any questions concerning your right to use a third party's software, you should contact our Legal Department.

### ***G. Records on Legal Hold***

There are special circumstances that arise from time-to-time, such as litigation or government investigations, where it becomes necessary for a legal hold to be imposed, which suspends the destruction of certain documents in order to preserve appropriate records. Our Legal Department determines and identifies what types of Company records or documents are required to be placed under a legal hold. Every employee, agent and contractor must comply with this policy. Failure to comply with this policy may subject the employee, agent or contractor to disciplinary action, up to and including termination of employment or business relationship at our sole discretion.

Our Legal Department will notify you if a legal hold is placed on records for which you are responsible. You then must preserve and protect the necessary records in accordance with instructions from our Legal Department. Records or supporting documents that have been placed under a legal hold must not be destroyed, altered or modified under any circumstances. A legal hold remains effective until it is officially released in writing by our Legal Department. If you are unsure whether a document has been placed under a legal hold, you should preserve and protect that document while you check with our Legal Department.

### ***H. Accuracy of Books and Records***

Accurate, objective, fair, relevant, timely and complete books and records are essential for our operations and allow us to meet our obligations to shareholders, management, employees, partners, customers, and various governmental agencies. Our records include contracts, customer orders, invoices, shipping documents, employee information, payroll records, financial system information and various forms of other essential data.

This applies to **all** employees including individuals negotiating and authorizing sales orders and contracts, submitting expense reports, or preparing and authorizing payments.

We are committed to maintaining an internal control system sufficient to provide timely and accurate recording and reporting of financial information. Our officers, directors and managers are responsible for developing and maintaining an adequate system of internal controls within their departments, organizations and subsidiaries.

Our financial statements must present fairly our financial condition and results of operations. Therefore, the books, financial records and supporting data must completely and accurately describe all of our transactions without the omission, concealment, or falsification of any information. No undisclosed or unrecorded fund or assets should be established for any purpose. Payments without appropriate supporting documentation and approval are prohibited. You must ensure not to unduly or fraudulently influence, coerce, manipulate, or mislead any authorized audit or interfere with any auditor engaged in the performance of an internal or independent audit of our financial statements or accounting books and records.

Any transaction, payment, or entry that is known to violate these standards must be disclosed immediately to the Compliance Office.

## ***I. Political Contributions***

We will not make contributions or payments or otherwise give any endorsement of support which would be considered a contribution directly or indirectly to political parties or candidates, including through intermediary organizations, such as political action committees, campaign funds, or trade or industry associations. For example, we will not purchase tickets or pay fees for you or anyone else to attend any event where any portion of the funds will be used for election campaigns. In many countries, political contributions by corporations are illegal. We will not make such contributions, even in countries where they are legal. Also, we will not provide any other form of support that may be considered a contribution.

Our employees may not make any political contribution as our representative. Such prohibitions include (but are not limited to):

- Use of Company email or mailing lists to promote a candidate.
- Use of your work time or Company assets in the course of participation in political activity.
- Use of Company time to perform volunteer work for political candidates.
- Pressuring any colleague, supplier, customer or partner to make any political contribution or support any political party or candidate, even implicitly (for example, you cannot ask your subordinates to purchase tickets to a political fund-raiser).

Nothing contained in this section is intended to discourage you from active personal involvement in the political process, including the making of personal political contributions, or to otherwise limit your rights and obligations of as responsible citizens.

## ***J. Conflict of Interest Policy***

We expect you to conduct your business activities ethically and with our best interests in mind, and not allow yourself to be put in a position where your judgment can be influenced. This includes any circumstance that could cast doubt on your ability to act with total objectivity with regard to our interests. We want your loyalty to come easily, free from any conflicting interests. You should be sensitive to situations which create the potential for/or appearance of conflicts between your personal interests and our interests.

The following guidelines have been established to explain when conflicts may exist and the procedures required.

### **1. What is a conflict of interest?**

A conflict of interest generally occurs when a personal or family relationship, substantial financial or personal interest, or any activity performed outside of your employment, might influence a business decision made on our behalf, result in the misuse of Company assets or negatively impact our business. Although it is not possible to define every instance under which a conflict of interest may arise, this section provides guidance in the areas which most likely may result in

conflicts. You are expected to comply with the spirit of the policy regardless of whether a potential conflict is specifically addressed in this document.

When trying to assess whether a situation constitutes a conflict of interest, ask yourself:

- Would this relationship or situation embarrass me or the Company if it showed up on the front page of a newspaper or the top of a blog?
- Am I reluctant to disclose the relationship or situation to my manager or the Compliance Office?
- Could the potential relationship or situation create an incentive for me, or be perceived by others to create an incentive for me, to benefit myself, my friends or family or an associated business, at the expense of the Company?

If the answer to any of these questions is 'yes,' the relationship or situation is likely to create a conflict of interest, and you should avoid it.

## **2. Outside Interests and Employment**

You should avoid engaging in any outside business interest or additional employment which would impair your ability to satisfactorily carry out your responsibilities at the Company. A substantial business interest in a competitor of ours, or provision of service, assistance, or employment at a competitor while you are employed by us, is strictly prohibited. Employment, provision of service, assistance, or substantial business interest in a customer or supplier is prohibited unless prior approval has been obtained from your manager and the Compliance Office.

We encourage you to be active in industry, charitable and civic associations. This can include service on boards of directors of outside organizations. It is a conflict of interest to serve as a director of any company that competes with us. You may serve as a director of any other entity, including a Company supplier, customer or other business partner, but only if doing so will not conflict or otherwise interfere with your duties and you first obtain approval from your manager and the Compliance Office prior to joining any such boards of directors. Approval is likely to be denied where you either directly or through people in your chain of command have responsibility to affect or implement our business relationship with the other company. Additionally, except under unusual circumstances, approval will be limited to service on no more than two outside boards.

We may at any time rescind prior approvals in order to avoid a conflict or appearance of a conflict of interest for any reason deemed to be in our best interests.

## **3. Dealings with Customers and Vendors**

You must deal with actual and potential business relationships – such as customers, vendors and others doing business with us – in a manner that avoids even the appearance of a conflict of

interest. Goods or services should be selected based upon price, quality, availability and our needs. Competitive bids should be obtained for significant expenditures.

#### **4. Investments**

Any direct or indirect investment in one of our competitors, customers, suppliers, or partners creates potential conflict of interest and, with respect to any of these entities which are publicly traded, the potential for insider trading violations. If you have decision making responsibilities or significant influence over any transactions with a business that is a competitor, customer, supplier, or partner of ours, then you are required to disclose all pertinent facts regarding their investment in such business. Disclosure must be made to your manager and the Compliance Office. The terms and conditions of the proposed transaction and any material change to the relationship between us and the business require approval by a level of management that does not have a direct or indirect financial interest in the business, and further approval by the Compliance Office.

*Investments in Public Companies:* Passive investments by employees of not more than one percent of total outstanding shares of companies listed on a national or international securities exchange, or quoted daily by NASDAQ or any other quotation system, including vendors, customers, partners or competitors of the Company, are permitted without our approval. Any investment in more than one percent of total outstanding shares of such public companies must be disclosed to, and reviewed by, the Compliance Office.

*Investments in Private Companies:* Investments by you in privately held companies that are partners, significant customers or significant suppliers of ours; companies that are current or likely competitors of ours; or companies that are reasonably likely to be potential candidates for acquisition by us must be disclosed to, and reviewed by, the Compliance Office. If an investment is made in a company that becomes subject to this disclosure requirement after the investment is made, the investment must be disclosed at that time.

*Changed Circumstances.* If you happen to have an investment in a company and you transition into a role that would place you in a conflict of interest position (such as those described above), you should disclose the situation to your manager and the Compliance Office. These situations will be resolved on a case-by-case basis.

#### **5. Personal and Family Relationships**

In general, participation in business relationships involving either a close friend or family member of yours, or an entity controlled by a family member should be avoided. For example, this may include transactions involving the purchase of goods or services, being the hiring manager for a position for which your relative or close friend is being considered, or being a relationship manager for a company associated with your spouse or significant other. In instances where it can be documented that a transaction with a family member or related entity offers a price or service superior to other competitors, this should be disclosed to your manager and the Compliance Office for approval prior to entering into the transaction. The determination of

whether a superior price, service or product exists must include documentation of a competitive bidding process.

The mere fact that a relative, spouse/significant other or close friend works at the Company or becomes our supplier, customer, partner or competitor does not mean there is a conflict of interest. However, if you are also involved in that business relationship, it can be very sensitive. The right thing to do in that situation is to discuss the relationship with your manager and the Compliance Office.

We also understand that co-workers can become friends, and that some employees may establish dating relationships with co-workers. While we trust employees to exercise good judgment in pursuing romantic relationships with their co-workers, you should recognize that romantic relationships between co-workers can, depending on the work roles and respective positions of the dating co-workers, create an actual or apparent conflict of interest. If a dating relationship does create an actual or apparent conflict, it may require changes to work arrangements or even the termination of employment of either or both individuals involved.

You should not supervise or be in a position to influence the salary or conditions of employment of a family member or with a co-worker where a dating or romantic relationship exists.

## **6. Disclosure**

You are required to promptly disclose to your manager any situation that may represent a conflict of interest. This disclosure may take the form of an email or other written communication or by verbal means. If there is any uncertainty whether a specific dealing may constitute a conflict of interest, you are encouraged to discuss the matter with your manager, human resources representative or the Compliance Office.

## **VI. Responsibilities in Conduct of Business**

### ***A. Entering into Contracts on Progress Software's Behalf***

We require employees to compete fairly and ethically for all business opportunities. Employees involved in the sale or licensing of products/services, the negotiation of agreements, or the delivery of services to customers are expected to understand and honor the terms of our contractual agreements. In addition, each employee must ensure that all statements, communications, and representations to customers are accurate and truthful. We are committed to meeting all of its contractual obligations.

Before executing, modifying, or amending any of our contracts all appropriate reviews and approvals must be sought and obtained. It is our policy that side letters, side agreements, handshake arrangements or other agreements whether written or verbal that are not documented within the written arrangement with the customer are strictly prohibited. These types of arrangements are strictly prohibited and are considered a violation of this Code for which significant repercussions, including termination are possible. Passive acceptance or knowledge of such letters will likewise be considered a violation of this policy. Employees within our Global

Field Operations group will be required to certify quarterly to the absence of any side letters or similar arrangements.

Only certain individuals have authority to sign contracts, commit us to acquiring products or services, or obligate us to third parties. Those individuals who have such authority should ensure that, before acquiring any goods or services or making any other commitments on our behalf, they have proper spending and contractual approvals. If you are unsure as to whether you have signing authority for a specific agreement, you should consult with the Legal Department.

### ***B. Guidelines for Competitive Intelligence***

It is our policy to sell products and services on their own merits. False or misleading statements or inferences about competitors, their products or their services are improper.

However, it is not unusual to acquire information about many other organizations, including competitors, in the normal course of business. Doing so is a normal business activity and is not unethical by itself. In fact, we properly gather this kind of information. We also collect information on competitors from a variety of legitimate sources to evaluate the relative merits of our own products, services, and marketing methods. This activity is proper and necessary in a competitive system.

There are, however, limits to the ways that information should be acquired and used, especially information about competitors. We should not use improper means to acquire a competitor's trade secrets or other confidential information. Illegal practices such as trespassing, burglary, wiretapping, bribery and stealing are obviously wrong; so is the affirmative act of hiring a competitor's employees strictly for the purpose of attempting to acquire that competitor's confidential information. Improper solicitation or receipt of confidential data from a competitor's employees or from our clients is also wrong. We will not tolerate any form of questionable intelligence-gathering.

### ***C. Questionable or Improper Payments***

We prohibit the use of bribes, kickbacks or other improper payments made directly or indirectly, to any individual or organization, including government officials, political parties, partners, and distributors. The acceptance by an employee of any form of bribe or kickback is also prohibited. Our policy against improper payments applies everywhere we conduct business.

### ***D. Dealing with Governments***

We conduct business with national governments and government-owned enterprises. In the course of work, our employees frequently interact with government agencies, officials and public international agencies. In every instance, you must apply the highest ethical standards and comply with applicable laws and regulations, including certain special requirements associated with government transactions.

When dealing with government employees or those who act on the government's behalf, acceptable practices in the commercial business environment, such as providing education,

transportation, meals, entertainment or other things of value, may be entirely unacceptable, and may even violate certain federal, state, local or foreign laws and regulations. Therefore, you must be aware of, and adhere to, the relevant laws and regulations governing relations between government employees and clients, business partners, and suppliers. You must not give money, gifts, benefits or discounts to an official or an employee of a governmental entity if doing so could be reasonably construed as having any connection with our business relationship. U.S. and foreign laws often prohibit such actions. See also the sections on the Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act.

### ***E. Business Entertainment and Gifts***

In the software industry – as well as others – the exchanging of gifts and entertainment with customers and suppliers is an acceptable part of doing business. However, this practice must be handled carefully and responsibly to avoid any conflict of interest. You are expected to use good judgment and moderation when exchanging gifts or entertainment of nominal value with employees of a non-governmental entity, keeping in mind that the recipient’s employer may forbid such a practice (it is the employee’s responsibility to learn the policy of our partners, customers, vendors, etc. before giving such gifts or entertainment). In general, gifts and entertainment should have a clear business purpose and be consistent with accepted business practice, comply with applicable laws and ethical standards, be moderate and not place us under any obligation to an individual or company doing business or attempting to do business with us.

Acceptable forms of gifts and/or entertainment include (without limitation):

- Occasional reasonable meals with a business associate who is not an employee of the Company,
- Tickets for ordinary sports, theater and other cultural events, and
- Gifts or promotional items of only a nominal value (i.e., less than \$150 in value).

Unacceptable forms of gifts and/or entertainment include (without limitation):

- Any employees’ acceptance of, or offering of, money, loans, cash equivalents (such as loans, stock, stock options, or other monetary instruments such as bank checks, traveler’s checks, money orders, investment securities or negotiable instruments) or other special treatment in dealings with vendors, customers or competitors.
- The solicitation of gifts or special treatment from suppliers or customers.
- Any offer or acceptance of any gifts or entertainment or other situations that are unsavory, or otherwise violates our commitment to diversity and mutual respect, or which would reasonably cause any customer or our employee to feel uncomfortable, such as “adult entertainment”.
- Any offer or acceptance of gifts or entertainment that would be illegal.

If you are unsure as to whether the offer or acceptance of any gift and/or entertainment would be appropriate, you should consult with your manager and the Compliance Office for a determination.

Any inappropriate gifts, money, or special treatment offered to you should not be accepted. If you become aware of an offering of an inappropriate gift or favorable treatment, you should report the incident to your manager and the Compliance Office.

It should be noted that additional restrictions may apply when dealing with government employees. For additional information refer to the “Dealing with Governments” section above.

In rare circumstances, local customs in some countries may call for the exchange of gifts having more than nominal value as part of the business relationship. In these situations, gifts may be accepted only on our behalf (not an individual) with the approval of the Compliance Office. Any gifts received should be turned over to Compliance Office for appropriate disposition. The foreign company’s gift-policy regulations must be observed. Gifts may only be given in accordance with applicable laws.

## ***F. Compliance with Laws***

We sell products and services worldwide to partners and end users, including governments. The United States and United Kingdom have certain laws relating to international business of which **all** of us worldwide must be aware. Violation of these laws may result in civil and criminal penalties. Our Legal Department should be contacted regarding any questions related to these laws. If you become aware of a violation or potential violation of these laws, you should report the information immediately to the Compliance Office.

### **1. Foreign Corrupt Practices Act**

We are required to comply with the Foreign Corrupt Practices Act (FCPA), a federal law of the United States. The FCPA prohibits the making of payments to influence a foreign official’s action or decision in order to obtain or retain business. It is our policy to comply with the FCPA and all local laws relating to government payments. Therefore, no employee or agent shall directly or indirectly pay, give or offer money or anything of value to any foreign government or government agency official, employee or representative, or to any foreign political party or candidate for a foreign political office in order to improperly influence any act or decision of such party, official or candidate in order to obtain, retain or direct any business.

The FCPA also contains provisions requiring companies to keep books and records that accurately reflect all transactions. The FCPA prohibits the direct or indirect falsification of any record, account or financial statement. This provision applies to all of our records, accounts, and financial statements.

### **2. UK Bribery Act 2010**

Because we have operations in the United Kingdom, we are also subject to the UK Bribery Act, which applies to our UK subsidiaries and our UK resident employees in their dealings worldwide.

The UK Bribery Act applies to conduct within the UK as well as conduct by UK employees outside of the UK.

The UK Bribery Act prohibits the offering, promising, requesting, making, receiving or accepting of a financial or other advantage where the intent is to induce someone to perform improperly a relevant function or activity or to reward a person for the improper performance. The UK Bribery Act also prohibits the offering, promising or giving of any financial or other advantage to a foreign public official with the intent of obtaining or retaining business. Lastly, and most significantly in our case, the UK Bribery Act can hold a company criminally and civilly liable if a person associated with that company bribes another intending to obtain or retain business for the company or an advantage in the conduct of business.

### **3. Export Controls**

The United States regulates and licenses the export of products and technologies to foreign countries. Periodically the United States will identify specific countries with which business relationships have been suspended. Many of these suspensions also apply to our affiliated companies worldwide. The Legal Department maintains information regarding countries to which products may not be shipped and any questions concerning export controls should be directed to the Legal Department.

### **4. Anti-Boycott Laws**

U.S. companies and their subsidiaries are prohibited from complying with foreign countries' boycotts against countries friendly to the U.S., and from providing information concerning business relationships with boycotted countries. Therefore, we will not participate in any foreign economic boycott not sanctioned by the U.S. Government, and will not provide information related to business relationships with boycotted countries.

### **5. Competition and Antitrust Laws**

Laws governing competition exist in most of the countries in which we do business. The purpose of competition laws, which also may be known as antitrust, monopoly, fair trade or cartel laws, is to prevent interference with the functioning of a competitive market system. Under these laws, companies may not enter into agreements with other companies, including their distributors and resellers, however informally, that unreasonably restrict the functioning of the competitive system. Companies also may violate competition laws without acting jointly with other companies by, for example, illegally monopolizing or attempting to monopolize an industry or unlawfully abusing a dominant market position.

Specific situations which should cause you to proceed carefully, include the following:

*Agreements with Competitors.* Formal or informal agreements with competitors that seek to limit or restrict competition in some way are often illegal. Unlawful agreements include those which seek to fix or control prices; allocate products, markets or territories; or boycott certain customers or suppliers.

Likewise, even the sharing of competitively sensitive information (e.g., prices, costs, market distribution, etc.) with competitors at trade and industry conferences could be considered anti-competitive and, thus, illegal. The same is also true of written statements (in emails, IMs, presentations, memos or anyplace else) that wrongly suggest that we have few or no competitors, or that we seek to harm our competitors or improperly exploit our success.

*Agreements with Customers and Partners.* Certain understandings between a company and a customer or business partner are also considered anti-competitive and illegal, such as agreements that fix prices for the resale of products. These types of restrictive understandings must not be discussed or agreed to with a customer or partner.

*Trade Association Activity.* Contact with competitors at trade shows or trade association meetings is unavoidable. However, these contacts are not immune from antitrust law. Consequently, contact with competitors necessitated by these meetings should be as limited as possible and kept strictly to the subjects on the agenda for the meeting.

## **6. Anti-Bribery Laws**

Like all businesses, we are subject to laws all over the world that prohibit bribery in virtually every kind of commercial setting. See the sections of this Code entitled “Foreign Corrupt Practices Act” and “UK Bribery Act”. Bribery of anyone, at any time, for any reason, violates our policies and may violate the law. Employees should exercise extra caution when giving gifts for entertainment or other business courtesies on our behalf.

## **VII. Failure to Comply**

All employees are expected to follow our policies. Failure to comply with laws or Company policies may result in disciplinary action, up to and including termination and/or disclosure of evidence to law enforcement officials or other third parties. Disciplinary action may also be taken for the deliberate failure to report a violation promptly, knowingly submitting a false or reckless claim of violation, failure by a manager to detect and report a violation due to lack of appropriate supervision, withholding of relevant information regarding a violation, failure to cooperate in the investigation of a known or suspected violation or taking action against an employee who reports a violation.

### **A. Enforcement**

We will ensure prompt and consistent action against violations of this Code. If, after investigating a report of an alleged prohibited action by a director or executive officer, the Compliance Office determines a violation of this Code has occurred, the Chief Compliance Officer will report such determination to the Board of Directors. If, after investigating a report of an alleged prohibited action by any other Progress employee and determination by the Compliance Office that a violation has occurred, the Compliance Office, in conjunction with senior management, will take such preventative or disciplinary action as it deems appropriate, up to and including termination.

### **B. Waiver**

There may be special or extraordinary circumstances where a waiver of a provision of this Code is appropriate. Any request for a waiver should be in writing and should be directed to our Chief Compliance Officer, who is responsible for maintaining a complete record of all requests for waivers and the disposition of those requests. No waiver applicable to a Board member or executive officer will be effective unless it is in writing, is approved by the full Board of Directors, and signed by the Chief Compliance Officer.

Any waiver applicable to a Board member or executive officer may need to be disclosed as required by SEC and NASDAQ rules.

## **VIII. Dissemination and Amendment**

This Code will be distributed or made available to each employee of the Company upon commencement of his or her employment and will also be distributed annually to each employee of the Company, and each employee will certify that he or she has received, read and understands this Code and complied with its terms.

The Company reserves the right to amend, alter or terminate this Code at any time for any reason. The most current version of this Code can be found in the Investor Relations section of the Company's website.

## Code of Conduct and Business Ethics

### Compliance Statement

I have received and read the Progress Software Code of Conduct and Business Ethics.

Yes  No

I understand the Code of Conduct and Business Ethics and that it is my responsibility to adhere to the Code of Conduct and Business Ethics.

Yes  No

I have no other employment or outside interests that create the appearance of, or are a conflict of interest with my position at Progress Software.

Yes  No

If No, please provide details below.

I am not aware of any situations that are, or appear to be, violations of the Code of Conduct and Business Ethics.

Yes  No

If No, please provide details below.

I understand that I should address any questions regarding this Code of Conduct and Business Ethics with my manager and/or the Compliance Office.

\_\_\_\_\_ Yes \_\_\_\_\_ No

I understand that if my responses to the above statements subsequently become inaccurate or incomplete or otherwise change, I will promptly advise my manager and the Compliance Office and I will furnish such supplementary information as may be appropriate.

\_\_\_\_\_ Yes \_\_\_\_\_ No

Signature: \_\_\_\_\_ Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_ Location: \_\_\_\_\_