



Dear Colleague:

I would like to thank you for your commitment to our organization. Our reputation for integrity and excellence requires careful observance of the spirit and letter of all applicable laws and regulations, as well as a scrupulous regard for the highest standards of ethics and personal integrity. These standards are clearly explained in the Code of Business Conduct and Ethics that follows.

As an employee of our organization, your care and relationship with co-workers, clients, and members of the general public reflects upon our reputation. We expect that employees of our company will conduct themselves in a manner reflecting the respect we hold for each individual, as well as the following core values: accountability, communication, execution, quality, teamwork, integrity, entrepreneurialism, respect and citizenship.

Your responsibilities under the Code include:

- Understanding and complying with the standards contained in the Code.
- Notifying your supervisor, your respective Human Resources representative, the Legal Department, or visiting our confidential Ethics Point whistleblower reporting system if you believe a violation of applicable law or regulation has occurred in the course of our business.
- Fully and honestly cooperating in the investigation of any alleged violation of our standards.

I urge you to review the Code thoroughly and discuss it with your co-workers. The Code cannot address every situation that may confront you and, when necessary, you should seek assistance and discuss concerns with your supervisor, your respective Human Resources representative, or the Legal Department.

If you do not feel comfortable reporting concerns through normal channels, we provide a confidential whistleblower reporting system through Ethics Point as an alternate method of reporting. To do so, please use the following link: ([https://secure.ethicspoint.com/domain/en/report\\_custom.asp?clientid=19599](https://secure.ethicspoint.com/domain/en/report_custom.asp?clientid=19599)). Any employee who reports in good faith a suspected violation of the law or the Code by others will be protected from any form of retaliation for doing so.

Once again, thank you for being part of our team. We will continue to succeed because of your commitment to make integrity and proper business conduct the foundation of our business.

Sincerely,

Steve Plochocki  
President and CEO  
QUALITY SYSTEMS, INC.



[Code of Business Conduct and Ethics](#)

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## Code of Business Conduct and Ethics

(Adopted by the Board of Directors, May 28, 2014)

### Introduction

This *Code of Business Conduct and Ethics* is intended to define our position on compliance with legal requirements and to define our standards of business conduct. All Company employees and directors are expected to read and understand this Code, uphold these standards in day to day activities, and comply with all applicable policies and procedures. In any situation where this policy references employees, it is implied that our officers and directors are subject to observing and upholding the same standards of conduct. Because the principles described in this Code are general in nature, you should also periodically review all applicable Company policies and procedures, including your Employee Handbook, and contact your Divisional Human Resources representative, the individual in charge of your division (Divisional Head), or the Legal Department if you have any questions on this or any other Company policy. For employees working within the Corporate Accounting department your Divisional Head is the Chief Financial Officer (CFO). For all other Corporate employees, your Divisional Head is the Chief Executive Officer (CEO). Members of our Board of Directors should consult the Chairman of the Board or the Chairman of the Nominating & Governance Committee in the event of a question on this policy.

This Code covers a wide range of business practices and procedures. It does not cover every issue that may arise, but it sets out basic principles to guide all of our directors, officers and employees. All of our directors, officers and employees must conduct themselves accordingly and seek to avoid even the appearance of improper behavior.

Nothing in this Code, in any Company policy and procedure, or in other related communications (verbal or written) creates or implies an employment contract or term of employment.

This Code is subject to modification. This Code supersedes all other such codes, policies, procedures, instructions, practices, rules or written or verbal representations to the extent they are inconsistent.

If a law conflicts with a policy in this Code, you must comply with the law. If you have any questions about these conflicts, you should ask your supervisor how to handle the situation.

Those who violate the standards in this Code will be subject to disciplinary action, up to and including termination of employment. If you are in a situation which you believe may violate or lead to a violation of this Code, follow the guidelines described in the Compliance Procedures section of this Code.

### Compliance with Laws, Rules and Regulations

Obeying the law, both in letter and in spirit, is the foundation on which our ethical standards are built. All employees must respect and obey the laws of the cities, states and countries in which we operate. Although

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not all employees are expected to know the details of these laws, it is important to know enough to determine when to seek advice from supervisors, managers or other appropriate personnel.

If requested, we will hold information and training sessions to promote compliance with laws, rules and regulations, including insider trading laws.

### **Reporting any Illegal or Unethical Behavior**

Employees are encouraged to talk to supervisors, managers or other appropriate personnel about observed illegal or unethical behavior and when in doubt about the best course of action in a particular situation. It is our policy not to allow retaliation for reports of misconduct by others made in good faith by employees. Employees are expected to cooperate in internal investigations of misconduct.

Employees are referred to our Whistleblower Policy, attached as an appendix to our Employee Handbook, which describes our procedures for the receipt, retention, and treatment of complaints received by us regarding accounting, internal accounting controls, or auditing matters. Any employee may submit a good faith concern regarding questionable accounting or auditing matters without fear of dismissal or retaliation of any kind.

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### **Conflicts of Interest**

A conflict of interest exists when a person's private interest interferes in any way with the interests of the Company. A conflict situation can arise when an employee, officer or director takes actions or has interests that may make it difficult to perform his or her Company work objectively and effectively. Conflicts of interest may also arise when an employee, officer or director, or members of his or her family, receives improper personal benefits as a result of his or her position in the Company. Loans to, or guarantees of obligations of, employees and their family members may create conflicts of interest.

It is almost always a conflict of interest for an employee of ours to work simultaneously for a competitor, customer or supplier. You are not allowed to work for a competitor as a consultant or board member. The best policy is to avoid any direct or indirect business connection with our customers, suppliers or competitors, except on our behalf. Conflicts of interest are prohibited as a matter of our policy, except under guidelines approved by the Board of Directors. Conflicts of interest may not always be clear cut, so if you have a question, you should consult with your Divisional Human Resources representative or Divisional Head. Any employee, officer or director who becomes aware of a conflict or potential conflict should bring it to the attention of a supervisor, manager or other appropriate personnel or consult the procedures described in the Compliance Procedures section of this Code.

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### Insider Trading

Employees who have access to confidential information are not permitted to use or share that information for stock trading purposes or for any other purpose except the conduct of our business. All material non-public information about the Company should be considered confidential information. Non-public information is considered “material” if a reasonable investor would consider that information important in making a decision to buy, hold or sell our securities. To use non-public information for personal financial benefit or to “tip” others who might make an investment decision on the basis of this information is not only unethical but also illegal. In order to assist with compliance with laws against insider trading, we have adopted an Insider Trading Policy governing employees trading in our securities. This policy has been distributed to every employee as an appendix to our Employee Handbook. If you have any questions, please consult the Legal Department.

### Corporate Opportunities

Employees, officers and directors may not exploit for their own personal gain opportunities that are discovered through the use of corporate property, information or position unless the opportunity is disclosed fully to our Board of Directors. We have adopted a Directors’ Confidentiality and Conflicts of Interest Policy, which sets forth the guidelines to which our directors must adhere. Our employees and officers must notify our Board of any corporate opportunities via written and dated communication sent directly to the Chairman of the Board via registered mail or overnight courier. Our Board will have 7 business days from receipt of the aforementioned communication to consider the opportunity and must submit in writing their decision to either decline or approve such opportunity. Failure by the Board to respond in writing within 7 business days of receipt of the written communication shall be deemed as an approval by the Board for the requesting individual to move forward with the referenced opportunity.

### Competition and Fair Dealing

We seek to outperform our competition fairly and honestly. In most of the countries where we operate, strict laws are in force similar to antitrust laws in the United States and competition laws in the European Union prohibiting collusive or unfair business behavior that restricts free competition. United States antitrust and other countries’ competition laws are quite complicated, and failure to adhere to these laws could result in significant penalties imposed on both the Company and the employees who violated the law. There are almost no circumstances allowed by law to enter agreements with competitors to fix prices, bid rigging, terms of sale, production output, or to divide markets or customers. In addition, attempts to discriminate in prices or terms of sale among our customers, or to otherwise restrict the freedom of our customers to compete, may sometimes be illegal. Legal issues may also arise if we refuse to deal with certain customers or competitors.

Stealing proprietary information or possessing trade secret information that was obtained without the owner’s consent is prohibited. Each employee should endeavor to respect the rights of and deal fairly with our customers, suppliers, competitors and employees. No employee should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or

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any other intentional unfair dealing practice. The purpose of business entertainment and gifts in a commercial setting is to create goodwill and sound working relationships, not to gain unfair advantage with customers. No gift or entertainment should ever be offered, given, provided or accepted by any employee, or family member of an employee, or agent unless it: (1) is not a cash gift, (2) is consistent with customary business practices, (3) is not excessive in value (i.e. that the total collective, annual value does not exceed \$200), (4) cannot be construed as a bribe or payoff, and (5) does not violate any laws or regulations. Please discuss with your supervisor any gifts or proposed gifts which you are not certain are appropriate.

### Discrimination and Harassment

The diversity of our employees is a tremendous asset. We are firmly committed to providing equal opportunity in all aspects of employment and will not tolerate any illegal discrimination or harassment of any kind. Examples include derogatory comments based on racial or ethnic characteristics and unwelcome sexual advances.

### Health and Safety

We strive to provide each employee with a safe and healthy work environment. Each employee has responsibility for maintaining a safe and healthy workplace for all employees by following safety and health rules and practices and reporting accidents, injuries and unsafe equipment, practices or conditions. Violence and threatening behavior are not permitted. Employees should report to work in condition to perform their duties, free from the influence of illegal drugs or alcohol. The use of illegal drugs in the workplace will not be tolerated.

### Record Keeping

We require honest and accurate recording and reporting of information in order to make responsible business decisions. For example, only the true and actual number of hours worked should be reported.

Many employees regularly use business expense accounts, which must be documented and recorded accurately. If you are not sure whether a certain expense is legitimate, ask your supervisor or your Divisional Head.

All of our books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect our transactions and must conform both to applicable legal requirements and to our system of internal controls. Unrecorded or off-the-books funds or assets should not be maintained, unless permitted by applicable law or regulation.

Business records and communications often become public, and we should avoid exaggeration, derogatory remarks, guesswork, or inappropriate characterizations of people and companies that may be misunderstood. This applies equally to e-mail, internal memos, and formal reports. Records, i.e., all data and documents preserved in paper, photographic, electronic, or any other permanent or quasi-permanent format that have been generated in connection with the our business, should always be retained or destroyed according to our

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records management policies and guidelines. In the event of litigation or governmental investigation, please consult the Legal Department or our CFO.

### **Confidentiality**

Employees must maintain the confidentiality of confidential information entrusted to them by the Company or our customers, except when disclosure is authorized by the Divisional Head, CEO, CFO, General Counsel or required by laws or regulations. Confidential information includes all non-public information that might be of use to competitors, or harmful to us or our customers if disclosed. It also includes confidential information that outside parties may have entrusted to us. The obligation to preserve confidential information continues even after employment ends. In connection with this obligation, every employee should have executed a confidentiality agreement when he or she began his or her employment with the Company.

### **Protecting Customer/Third Party Information Privacy**

We take the protection of privacy for our customer's, and other third parties that have entrusted us with information very seriously. We follow all applicable laws and regulations directed toward privacy and information security. We must safeguard all confidential information our customers and other third parties share with us by ensuring that their information is only used for the reasons for which the information was gathered. If you do not have a business reason to access this information, you should not do so. If you do, you must also take steps to protect the information against unauthorized use or release.

### **Protection and Proper Use of Company Assets**

Employees should endeavor to protect our assets and ensure their efficient use. Theft, carelessness, and waste have a direct impact on our profitability. Any suspected incident of fraud or theft should be immediately reported for investigation. Company equipment should not be used for non-company business, though incidental personal use may be permitted.

The obligation of employees to protect our assets includes our proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks, and copyrights, as well as business, marketing and service plans, engineering and manufacturing ideas, designs, databases, records, salary information, and any unpublished financial data and reports. Unauthorized use or distribution of this information would violate our policy. It could also be illegal and result in civil or even criminal penalties.

### **Payments to Government Personnel**

The U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act 2010 prohibit giving anything of value, directly or indirectly, to officials of foreign governments or foreign political candidates in order to obtain or retain business. It is strictly prohibited to make illegal payments to government officials of any country. We have adopted an Anti-Corruption Compliance Policy mandating compliance with such standards. This policy has been distributed to every employee as an appendix to our Employee Handbook.

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In addition, the U.S. government has a number of laws and regulations regarding business gratuities which may be accepted by U.S. government personnel. The promise, offer or delivery to an official or employee of the U.S. government of a gift, favor or other gratuity in violation of these rules would not only violate Company policy but could also be a criminal offense. Accordingly, you, either directly or indirectly, cannot provide, offer to provide and or receive any gifts, meals, money or entertainment, regardless of value, to/by any government employee. An act as simple as treating a U.S. government employee to a modest meal may be illegal and it may also violate state and local government laws with regard to state and local government employees.

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

Any waiver of this Code for executive officers or directors may be made only by the Board or a Board committee and will be promptly disclosed as required by law or NASDAQ regulation.

### **Compliance Procedures**

We must all work to ensure prompt and consistent action against violations of this Code. In general, the use of good judgment, based on high ethical principles, will be the guide with respect to lines of acceptable conduct. If a situation arises where it is difficult to determine the proper course of action, the matter must be disclosed to the immediate supervisor and/or the department VP/SVP/EVP, who shall also immediately inform Human Resources for the purpose of precluding any real or apparent conflict of interest.

However, in some situations it is difficult to know if a violation has occurred. Since we cannot anticipate every situation that will arise, it is important that we have a way to approach a new question or problem. These are the steps to keep in mind:

[Make sure you have all the facts.](#) In order to reach the right solutions, we must be as fully informed as possible.

[Ask yourself: What specifically am I being asked to do? Does it seem unethical or improper?](#) This will enable you to focus on the specific question you are faced with, and the alternatives you have. Use your judgment and common sense; if something seems unethical or improper, it probably is.

[Clarify your responsibility and role.](#) In most situations, there is shared responsibility. Are your colleagues informed? It may help to get others involved and discuss the problem.

[Discuss the problem with your supervisor.](#) This is the basic guidance for all situations. In many cases, your supervisor will be more knowledgeable about the question, and will appreciate being brought into the decision making process. Remember that it is your supervisor's responsibility to help solve problems.

[Seek help from Company resources.](#) In the rare case where it may not be appropriate to discuss an issue with your supervisor or where you do not feel comfortable approaching your supervisor with your question,

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discuss it with your Divisional Human Resource representative, your Divisional Head or the Legal Department.

You may report ethical violations in confidence and without fear of retaliation. If your situation requires that your identity be kept secret, your anonymity will be protected. The Company does not permit retaliation of any kind against employees for good faith reports of ethical violations.

Always ask first, act later. If you are unsure of what to do in any situation, seek guidance before you act.

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