

# CODE OF BUSINESS CONDUCT AND ETHICS

*Revised April, 2016*

## **I. Purpose**

The purpose of this Code of Business Conduct and Ethics (the “Code”) is to promote honest and ethical conduct, focus the Board of Directors of ARI Network Services, Inc. (“ARI”) and management on areas of ethical risk, provide guidance to directors, officers and employees to help them recognize and deal with ethical issues, provide mechanisms to report unethical conduct and help to preserve the culture of honesty and accountability within ARI.

The Code applies to all directors, officers and employees of ARI. Compliance with the Code is a condition of employment or, if you are a non-management director, a condition of service on the Board of Directors. Failure to comply or failure to disclose violations of the Code by others will result in a range of disciplinary actions, up to and including dismissal.

## **II. Administration**

The Audit Committee of ARI’s Board of Directors is responsible for the overall administration of the Code. The Audit Committee has delegated to the Chief Financial Officer the responsibility to oversee the day-to-day operation of the Code and to direct investigations of suspected violations of the Code (except as provided in Section XIII, below). In performing these tasks, the Chief Financial Officer will work together with other members of ARI's executive team.

## **III. Accountability and Making the Code Work**

All directors, officers and employees must become familiar with the Code and the detailed ARI policies that relate to the Code (which are referred to throughout the Code) and be sensitive to situations that could lead to illegal or unethical actions, and avoid or prevent such behavior. If you have questions, it is your duty to seek guidance from your supervisor or a member of the Company’s executive team. For executive officers and non-management directors, inquiries should be directed to the Audit Committee Chairperson.

If you believe that someone has engaged in or is about to engage in any activity that may be illegal or against ARI policies, you are obligated to report promptly all facts known by you to the Chief Financial Officer. You will not suffer any retaliation or career disadvantage by doing so, and every effort will be made to keep your identity confidential. Refer to Section XIII, Reporting Code Violations, for detailed instructions on how to report code violations, including how to report violations anonymously.

## **IV. Compliance with All Applicable Laws**

All directors, officers and employees must be aware of certain laws. Familiarize yourself with all laws and regulations that apply in the areas where you work as well as company policies as they relate to your duties and responsibilities. These include, but are not limited to, the following:

### *Employment Laws*

ARI promotes equal employment opportunity (“EEO”) principles and practices and will not discriminate against any employee or applicant for employment because of race, color, religion, ethnic or national origin, sex, age, disability, status as a veteran or other characteristics protected by law. ARI also seeks to provide a work environment free of any type of harassment. We will investigate all complaints and take appropriate action as a result.

### *Antitrust Laws*

You are expected to comply with all federal and state antitrust laws that prohibit any kind of understanding or agreement between competitors that restrains competition, whether by sellers or purchasers. In general, joint activity with competitors should be undertaken only after confirming with the Chief Financial Officer that the action being considered is lawful.

### *Securities Laws and Insider Information*

You must keep any material information that could reasonably be expected to affect the price of ARI stock, or have an impact on the financial condition or operations of the company, strictly confidential until public disclosure is made. If information has not been discussed publically on an earnings call, or disclosed in a press release, SEC filing or investor presentation, it should be kept strictly confidential. Please refer to our policy on insider trading for further information.

### *International Laws*

Be aware of export-import controls and customs duties regulations as well as the Foreign Corrupt Practices Act (the "FCPA"). The FCPA makes it a crime for U.S. companies and individuals to make certain types of payments to foreign government officials. Any agreements with representatives who engage in activities on behalf of or together with ARI that may involve foreign governments must be in writing. Those agreements must be reviewed in advance by the Chief Financial Officer for compliance with the requirements of the FCPA. If you have any questions or doubts about the propriety of a proposed course of action, discuss them with the Chief Financial Officer and also report any suspected violations of the FCPA promptly.

### *Environmental Laws*

ARI complies with all environmental laws and regulations and depends upon you to be environmentally sensitive and knowledgeable of applicable laws to ensure compliance.

### *Health and Safety Laws*

ARI complies with all applicable Occupational Safety and Health Administration ("OSHA") regulations and Health Insurance Portability and Accountability Act of 1996 ("HIPPA"). Likewise, it is your responsibility to adhere to any of ARI's policies and programs designed to comply with OSHA and HIPPA standards.

### *Political Contributions*

You may not make any domestic or foreign political contribution (including the purchase of tickets to raise political funds and furnishing goods or services) on behalf of ARI, unless such contribution has been cleared in advance in accordance with ARI policy.

## **V. Conflict of Interest**

The term "conflict of interest" generally describes a situation where your loyalties in business activities may be divided between ARI's interests and your personal interests. It usually involves a situation where you or your family can benefit personally from transactions with ARI or the use of ARI's equipment,

personnel, or facilities for personal gain. While a possible conflict between personal interest and ARI interest does not always result in damage to ARI, its very existence creates an inappropriate condition. You should avoid even the appearance of a conflict of interest.

Conflicts of interest can exist when you have direct or indirect financial interest in, or receive compensation or other benefits from, any individual or firm that: (1) sells material, equipment or property to ARI; (2) renders services to ARI; (3) has business contracts or financial dealings with ARI; or (4) competes with ARI. This is not an exclusive list of situations which may present a conflict of interest. It is ARI's policy that its directors, officers and employees not enter into such relationships.

Business must be conducted solely on the basis of merit and open competition. You must refrain from actions that might impair your independent judgment such as: (i) borrowing from ARI customers or from individuals or firms (other than a bona fide bank or lending institution) with which ARI does business; (ii) using information such as technical, financial, operating and planning data that is not known to the general public for the benefit of anyone other than ARI; (iii) making unauthorized payments of money or property; or (iv) performing work for an organization that competes with ARI or does business with ARI, without appropriate advance approval from the Chief Executive Officer and the Chief Financial Officer.

Before you or a family member may engage in activities that create or even appear to create a conflict of interest, you must obtain approval from the Chief Executive Officer and the Chief Financial Officer. Further, if you become aware of any conflict of interest or appearance of a conflict of interest, you must immediately provide all pertinent information to the Chief Financial Officer.

## **VI. Confidential Information**

Unless there is prior authorization from the Chief Financial Officer or it is required in connection with your specific duties, do not disclose internal communication regarding confidential business and product development plans. Examples of confidential information include technology protected by trade secrets, business forecasts and plans, and strategies and information concerning ARI's operations and customers. You are also required to keep confidential any confidential information you may receive from a third party covered by a Non-Disclosure Agreement between ARI and the third party. Employees of ARI are bound by an Employment Agreement signed as a condition of employment at the time of hire. All contractors performing work at ARI are required to sign an Independent Contractor Agreement specifically termed for their position. If you or any contractors should receive questions or inquiries from the media, refrain from answering unless you have been authorized by the Chief Financial Officer.

As part of doing business, the Company also collects credit card information from customers. This information is not to be retained by any employee. Credit card information should be entered directly into the payment gateway or other designated forms or systems and should not be sent via email.

## **VII. Use and Protection of Company Assets**

ARI's assets are meant for company, not personal, use. Company assets include your time at work and work product, as well as ARI's funds, property, equipment, computers and software, office supplies, Internet access, company information, trademarks and name.

As stated in the Confidentiality Agreement, all Inventions shall be and remain the sole and exclusive property of ARI along with all other work product produced within the scope of your employment with ARI. Inform ARI of any discoveries, improvements, or designs conceived or reduced to practice during

your period of employment. You are expected to protect and preserve any company trade secrets, trademarks, service marks, trade names, copyrights, or other valuable intellectual property or proprietary information. You should not engage outside consultants, independent contractors, or developers without adequately protecting the intellectual property rights of ARI including a signed corporate approved confidentiality agreement or independent contractor agreement by said consultant, contractor or developer prior to their active engagement.

Company-provided electronic and/or computer technologies, including e-mail, voicemail, cellular telephones, computers, computer networks, software, access to the internet, or other electronic services are the property of the Company. Occasional personal use of the phone systems, e-mail, the internet, and voice mail is acceptable provided that the use is appropriate and lawful. Employees must not use the Company's computers, networks or network links to external internet services to conduct non – ARI Network Services activities such as operating a part-time business or engaging in personal political activities.

When the Company grants you access to its systems and networks, you are assigned an individual login account with a confidential password. You are personally responsible for all activities that take place using your assigned account. Company policy requires that you protect the confidentiality of your password for compliance and for your personal protection. You should never share this password or allow another person to use your account. It is important that you know that authorized Company representatives may monitor the Company systems and networks at any time, without notice. By using the Company's electronic resources, you indicate that you consent to this monitoring and that you understand the information created, received, or disseminated through these systems is not private.

Company systems must not be used to create, store, or transmit information that is hostile, malicious, unlawful, sexually explicit, discriminatory, profane, or abusive. Employees will not send, knowingly receive, store, or forward messages that contain such unacceptable information or that are derogatory toward others. Web sites that contain illegal, sexually explicit, adult-oriented, or discriminatory content are also unacceptable and are not to be accessed using Company equipment or networks.

Our computers will be used in accordance with applicable software agreements, copyright, trademark, patent, and other laws. Employees must not duplicate, install or use software in violation of its copyright or applicable license terms. Unless permission has been obtained from the copyright owner, employees may not make copies of electronic data. The Company provides network connections to the Internet, and to Internet services, in order to facilitate our Company business. Use of instant messaging services and participation in internet discussion groups, chat rooms or other public forums for personal use are forbidden. Failure to comply with the Company's computing resources security and appropriate use requirements is a serious violation of Company policy.

#### **VIII. Accurate, Complete, Timely and Understandable Business Records**

All business records, accounts, and reports to government agencies and others must be prepared with care and honesty. All corporate funds, assets, and liabilities must be recorded in accordance with appropriate accounting procedures and generally accepted accounting principles in a complete, accurate and timely manner. False or misleading entries in ARI's records are unlawful and are not permitted. Business records are broadly defined and include e-mail and even individual notes and diaries. E-mail is intended for business-related purposes and all e-mail communications are the property of ARI.

Be aware of the implications of anything you write, including e-mail, about ARI, irrespective of where

you write it. Your writing becomes a business record that may be subject to disclosure to the government, in lawsuits, or to private parties.

#### **IX. Public Filings and Communications**

ARI's Chief Executive Officer and Chief Financial Officer are ultimately responsible for ensuring full, fair, accurate, timely and understandable disclosure in the reports and documents that ARI files with, or submits to, the Securities and Exchange Commission and in other public communications made by ARI. However, to the extent you are requested to provide information to be included in, or to participate in the preparation of, such reports, you are responsible for providing such information and for preparing such reports in a manner that will help to ensure the full, fair, accurate, timely and understandable disclosure of such information in the reports.

#### **X. Patents and Intellectual Property**

ARI will not knowingly infringe on others' patents, trademarks, or copyrights, or misappropriate others' trade secrets or other proprietary information. We prohibit the unauthorized copying of magazine and journal articles, books, computer software, or any other copyrighted material.

#### **XI. Internal Security**

ARI is committed to providing you with a safe workplace. Theft, vandalism, acts of sabotage, or threats of violence involving ARI property or personnel should be reported immediately to the Director of Human Resources.

#### **XII. Drugs**

You may not consume or use illegal drugs on ARI premises or while traveling on company business. If you report to work or continue to work while under the influence of alcohol or impaired by the illegal use of drugs, you will be subject to immediate disciplinary action. ARI prohibits the unlawful manufacture, distribution, possession, or use of controlled substances during working hours on ARI premises or off premises while conducting ARI business.

If you are taking prescription or over-the-counter medicine that may affect your performance or fitness to work, report this to your manager or the Director of Human Resources, as appropriate. Disclosing the use of legal prescription or over-the-counter drugs will be kept confidential.

#### **XIII. Reporting Code Violations**

ARI is committed to supporting you in meeting the ethical standards of conduct set forth in this Code and expects you to uphold these standards. If, at any time, you become aware of anything that occurs which could in any way be construed as a fraudulent or illegal act or otherwise in violation of this Code, you are responsible for promptly reporting such occurrence to the Chief Financial Officer. If any violation seems to involve the Chief Financial Officer or a member of ARI's executive team, or if either does not take appropriate action, the matter should be reported to the Chairperson of the Audit Committee of the Board of Directors.

Upon receiving a report of a potential violation of the Code, an investigation into the facts and circumstances surrounding the reported potential violation shall be directed by either the Chief Financial

Officer or the Audit Committee Chairperson, as appropriate. The Chief Financial Officer or Audit Committee Chairperson may delegate investigation duties to whomever they deem appropriate, including the Chief Executive Officer, corporate counsel, or other outside advisors. All reported incidents, as well as the results of any investigations, shall be reported to the Audit Committee on a quarterly basis and reflected in the Audit Committee's meeting minutes. All directors, officers and employees are required to cooperate fully with any such investigation.

We will make every effort to keep confidential the identity of any person who reports a violation. It is also ARI's policy to prohibit retaliation against anyone who reports actual or apparent violations of this Code or who assists in an investigation regarding actual or apparent violations of the Code. Anyone who believes retaliatory action has been taken against them because they reported an actual or potential violation under this Code should contact the Audit Committee Chairperson, who shall initiate an investigation into the claim. However, anyone who has participated in the wrongdoing or knowingly or recklessly provided false information may be subject to corrective action, up to, and including, dismissal.

If you wish to report any matter on an anonymous basis, you may do so by submitting an anonymous e-mail or letter to the attention of the Company's Chief Financial Officer. If sending an anonymous e-mail you may use the following procedure:

- Direct your web browser to the website [google.com](http://google.com).
- Click on 'Sign In' at the top of the page on the right side.
- Sign in as [arinet.anonymous@gmail.com](mailto:arinet.anonymous@gmail.com). The password is [website123](#).
- Once signed in, click on 'gmail' at the top of the page, which will direct you to the inbox.
- Click 'Compose' to create your email and send it to: [codeviolation@arinet.com](mailto:codeviolation@arinet.com).
- If sending a letter, please direct the letter to:

ARI Network Services, Inc.  
Attn: Chief Financial Officer  
10850 West Park Place  
Suite 1200  
Milwaukee, WI, 53224-3025.

#### **XIV. Penalties for Violations**

Violations of this Code or failure to cooperate with an internal investigation of an actual or apparent violation of this Code may constitute grounds for corrective action ranging from warnings or letters of reprimand for less significant, first-time offenses, suspension without pay, demotion or loss of bonus or option awards for more serious violations, and immediate dismissal for the most serious violations, which may include a series of multiple violations that amount to a breach of trust. Violations of this Code may also result in ARI and/or you being subject to serious fines and criminal penalties.

#### **XV. Compliance Reporting**

In order to help ensure compliance with this Code, all directors, officers and employees must sign the Compliance and Disclosure Form, attached as [Appendix A](#), acknowledging receipt of and compliance with the Code, upon adoption of the Code or when initially hired or elected to office, whichever occurs later, and annually thereafter.

**XVI. Waiver**

Any waiver of the provisions of this Code for directors or executive officers of ARI may be made only by the Board of Directors and must be disclosed to the Shareholders of ARI, along with the reasons for such waiver.

**XVII. Summary**

We expect you to use your best efforts to meet our ethical and compliance standards. Choosing a “quick fix” or taking a “short cut” around the law or our standards may subject ARI and you to substantial penalties.

We will review this Code annually and make any updates available to you. Please remember that compliance is an ongoing activity. Day in and day out, we must always adhere to the highest standards of honesty, integrity, and fairness in the conduct of our business.

**Appendix A**

**COMPLIANCE AND DISCLOSURE FORM**

*(To be completed upon adoption of the Code, commencement of employment, or, for non-management directors, election to office, and annually thereafter)*

This is to certify that I have received and read the ARI Code of Business Conduct and Ethics (the "Code"). To the best of my knowledge, I am not aware of any possible or actual violation of the standards described in the Code and/or any potential or actual conflict of interest, either by me or other directors, officers or employees, other than as explained below. I further agree to comply with the standards now and in the future and to report promptly any questions or concerns I may have to the appropriate person identified in the Code as well as any changes with respect to any possible violations of the Code or potential conflict of interest.

Explanation of possible violation of standards:

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The information supplied is true, correct, and complete to the best of my knowledge and belief.

Signature: \_\_\_\_\_

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

Print Name: \_\_\_\_\_

If a violation or conflict is reported, the Audit Committee Chairperson or the Chief Financial Officer, as appropriate, must sign here.

Signature: \_\_\_\_\_

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

Print Name: \_\_\_\_\_