

PURPOSE:

Consistent with our Code of Business Conduct and Ethics, all Descartes Representatives are expected to conduct themselves with basic honesty and integrity, whether it is in their dealings with Descartes, other employees, customers, Business Partners, or others. Ethical conduct is one of our core values and beliefs. It is also expected that all representatives of Descartes will be transparent in their conduct of business and will stand by the integrity of their decisions and actions.

Corruption and bribery of any kind poses a serious reputational, financial and legal risk to Descartes. Accordingly, conducting business in accordance with all anti-corruption and anti-bribery laws (including the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act, the Canadian Corruption of Foreign Public Officials Act, the Canadian Criminal Code (re bribery of Canadian government officials) and all applicable local laws in jurisdictions where it operates) is important to preserve and advance our reputation and our ability to build strong and lasting relationships with our customers and Business Partners.

The restrictions in this policy apply to all Descartes business relationships, whether dealing with a Governmental Official or with someone in the private sector.

If you have any questions about this policy, it is your responsibility to discuss them with your manager or contact Descartes' General Counsel.

SCOPE:

This policy applies to the worldwide conduct of all Descartes Representatives.

This policy should be read in conjunction with other Descartes policies and guidelines, including, but not limited to:

- Code of Business Conduct and Ethics
- Whistleblower Policy

RESPONSIBILITIES:

The Board has appointed Descartes' Chief Financial Officer and General Counsel to oversee the administration of this Policy and report directly to the Audit Committee of the Board.

POLICY:**1) Bribery and "Kickbacks"**

Descartes and its Representatives shall not take part in acts of corruption, or pay or receive Bribes or receive Kickbacks, either directly or indirectly. A mere promise or offer to someone of Anything of Value is sufficient to be a Bribe, whether or not the promise was kept or offer fulfilled. It is a Bribe even if you personally make the payment with your own money out of your own pocket and do not request reimbursement from Descartes. It is a Bribe if such payments are made or provided to the spouses, partners or children of Government Officials or representatives of private or commercial sector businesses.

Any action that could be construed as a Bribe must be avoided.

No employee will be penalized for refusing to pay or accept a Bribe or Kickback, even if it results in the loss of business or an increase in costs to Descartes.

2) Facilitation Payments

Facilitation Payments (sometimes referred to as "grease" payments) are prohibited. Facilitation Payments are typically demanded by low level and low income Public Officials and are Bribes paid (generally a small sum) directly to a Government Official in exchange for providing services to which one is legally entitled without making such payments.

A published standard fee to expedite services payable to the Government (not to the Government Official personally) that is available to all people is not a Facilitation Payment.

If asked to make a Facilitation Payment, the employee or Business Partner should refuse. Descartes recognizes that there may be extreme circumstances where refusal to pay a Facilitation Payment may threaten or compromise a Representative's personal safety, in which case it may be necessary to make a Facilitation Payment to avoid physical injury. In such circumstances, any such payment must be immediately reported to the General Counsel and the CFO of Descartes.

3) Hospitality and Gifts

Descartes recognizes that building lasting relationships with customers and Business Partners is important to our success. However, Representatives shall not offer or accept Gifts or Hospitality that could affect, or reasonably be seen to affect either party's impartiality, influence or reasonably be seen to influence a business decision or lead to the improper performance of an official duty.

Representatives may offer and accept "reasonable" and "proportionate" Gifts or Hospitality. In determining what is "reasonable" and "proportionate" consideration shall be given to the following criteria:

- (i) the Gift or Hospitality must relate directly to the promotion, demonstration, or explanation of Descartes and its products and services;

- (ii) the Gift or Hospitality is within the types and value limits set by Descartes from time to time;
- (iii) the frequency with which the same or similar Gifts or Hospitality is offered;
- (iv) whether the Gift or Hospitality being given as an expression of goodwill and not in expectation of a return favour (a Gift given to secure a return favour would be a Bribe);
- (v) whether the Gift or Hospitality is consistent with local accepted standards and complies with local laws and regulations; and
- (vi) whether the Gift or Hospitality is provided in an open and transparent manner and is not of a nature that would harm Descartes' reputation if publicly reported.

Notwithstanding the foregoing, in no circumstances shall Representatives offer to, or accept Gifts or Hospitality from, any Government Official or relative of a Government Official without prior approval of the General Counsel. Sometimes government departments do not have adequate resources to undertake required tasks in connection with the regulation or approval of specific activities. As a result, Representatives may be asked to provide financial or other support for such activities. Such matters raise special considerations and, as described above, you must obtain the written pre-approval of the General Counsel before agreeing to provide such support.

Employees should also consult the Descartes Travel & Business Expense Policy and their local country Employee Handbook for further guidance. Any Gifts or Hospitality for any party must be accurately accounted for and described in Descartes' records. It must be accounted for in an appropriate expense report, accompanied by supporting documentation, and identify the type of benefit provided, its value, the date it was provided, and the identity of the recipient.

4) Transactions with Business Partners

Under applicable bribery and anti-corruption legislation, Descartes can be held liable for the actions of its Business Partners. Accordingly, any payment that is prohibited under this policy cannot be made indirectly on Descartes' behalf by or through a Business Partner. Descartes expects its Business Partners to approach issues of bribery and corruption in a manner that is consistent with the principles set out in this policy.

In cases where Descartes has concerns that it will be unable to ensure these standards, it will discontinue the business relationship.

Business Partners Dealing with Government Officials

Prior to entering into a relationship with a Business Partner who will deal with Government Officials on Descartes' behalf, the potential engagement shall be reported in writing to the General Counsel. No such Business Partner shall be engaged without the pre-approval of the General Counsel.

Customer-Facing Business Partners

Business Partners who interact with Descartes customers or potential customers are held to the same standards as Descartes' directors and employees, as described elsewhere in this policy.

Descartes will endeavor to conclude agreements with Business Partners that require business conduct consistent with the standards set out in this policy and to have Business Partners fully briefed on the obligations set out in this policy. Agreements will endeavor to include appropriate wording making it possible to withdraw from the relationship or suspend payment if the Business Partners fails to abide by this policy. Once agreements have been signed, Descartes will take commercially reasonable steps to monitor its relationships with such Business Partners to ensure that there are no infringements of this policy.

Procurement from Business Partners

Descartes' process for selecting suppliers and contractors is to be open, fair and transparent. Supplier and contractor selection will be based on an evaluation of product quality, service, competitive price and/or professional merit. Personal recommendations/relationships shall not be a determining or substantial factor in any selection process.

Descartes will communicate this Anti-Corruption policy to suppliers and contractors, and Descartes will expect them to abide by the principles set out in the policy when working on Descartes' behalf. If those principles are breached, Descartes will reserve the right to terminate the contract.

5) Charitable Donations and Sponsorships

Descartes and its employees and Business Partners will not make charitable donations or provide sponsorships as a way of obtaining an Improper Business Advantage or in circumstances where it may be perceived that the donation/sponsorship is being made to obtain an Improper Business Advantage (e.g. as an indirect way to provide a Bribe).

Charitable Donations and sponsorships by Descartes shall only be made with the approval of the General Counsel, and only in circumstances where the organizations receiving funds reflect and uphold Descartes' values and where allowed under local law. The purpose, amount and the timing of the donation will also be considered in determining if the contribution could be seen as obtaining an Improper Business Advantage.

All Charitable Donations by or on behalf of Descartes must be accounted for with supporting documentation, including a receipt or written acknowledgement of the donation from the recipient.

Subject to the foregoing, employees and Business Partners may make Charitable Donations on their own behalf, but shall not make any such contributions on behalf of Descartes or in a manner that could be perceived to be on behalf of Descartes.

6) Political Contributions

Descartes and its employees and Business Partners will not make direct or indirect contributions to political parties, organizations or individuals engaged in politics, as a way of obtaining an Improper Business Advantage.

Political Contributions by Descartes shall only be made with the approval of the General Counsel, and only in circumstances where the organizations receiving funds reflect and uphold Descartes' values and where allowed under local law. The purpose, amount and the timing of the donation will also be considered in determining if the contribution could be seen as obtaining an Improper Business Advantage.

All Political Contributions by or on behalf of Descartes must be accounted for with supporting documentation, including a receipt or written acknowledgement of the donation from the recipient.

Subject to the foregoing, employees and Business Partners may make Political Contributions on their own behalf, but shall not make any such contributions on behalf of Descartes or in a manner that could be perceived to be on behalf of Descartes.

7) Accounting – Books and Records

Descartes shall maintain books and records that accurately reflect its financial transactions and the disposition of its assets. The requirement to accurately reflect financial transactions applies to all books and records, including forms required for processing payments, attachments and backup used to justify payment requests and any required authorizations. No undisclosed or unrecorded accounts funds will be established for any purpose.

REPORTING OBLIGATION:

Directors, employees and Business Partners are strongly encouraged to report any suspected violations of this policy or any anti-corruption or anti-bribery laws by Descartes, another employee or any Business Partner. Reports should be made in accordance with the Descartes Whistleblower Policy.

Descartes will not tolerate retaliation against any Representative who, in good faith, makes a report under this policy.

BREACHES OF THE POLICY:

In addition to any civil or criminal liability under local anti-corruption laws, any breach of this policy may result in disciplinary action by Descartes, up to and including termination of employment or business contract, as the case may be.

GLOSSARY:

Anything of Value: includes but is not limited to cash, cash equivalents (e.g. gift cards), gifts, travel, meals, entertainment, use of vehicles, accommodations or valuable favors, such as educational and employment opportunities for friends and relative.

Bribe: is a direct or indirect offer of, promise of, authorization to pay or payment of Anything of Value to any Government Official or any other person or entity, including persons or entities in

the private or commercial sector where it is intended to induce the recipient to misuse his or her position to provide an Improper Business Advantage.

Business Partner: any third party, regardless of title, who: (i) represents Descartes or acts on its behalf, including marketing alliance partners, re-sellers, consultants and contractors; or (ii) supplies goods or services to Descartes.

Charitable Donation: a financial or in-kind gift made to a charity, other public welfare organization or not-for-profit organization.

Corruption: The misuse of a public office or power for private/personal gain or the misuse of power by representatives (employees, agents, etc.) of private or commercial sector businesses for personal gain and includes bribery, facilitation payments or other forms of improper business practices.

Descartes: means, collectively, The Descartes Systems Group Inc. and all of its subsidiaries.

Facilitation Payment: Bribes paid (generally small sums) directly to Government Officials in exchange for providing services to which one is legally entitled without making such payments (e.g. the processing of Government approvals, or passing through customs and/or immigration). Facilitation payments are typically demanded by low level and low income Public Officials.

Government: includes all levels of government (local, regional/state, national) and includes quasi-governmental organizations (e.g. state owned/crown companies).

Government Official: any elected or appointed government official; any employee or other person acting for or on behalf of a government official, agency or enterprise that performs a government function; any employee or other person acting for or on behalf of any entity that is wholly or partially government owned or controlled; any political party, officer, employee or other person acting for or on behalf of a political party, or any candidate for public office; or any employee or person acting for or on behalf of a public international organization.

Gifts/Hospitality: cash or cash equivalents or other tangible benefit, offered, given, solicited or received. A tangible benefit includes promotional items, events and entertainment, including meals (wherever hosted), travel, social events (a ticket to a sporting event, party, golf outings, theatre performance, reception, etc.).

Improper Business Advantage: includes obtaining or retaining business in a manner which is not fair and transparent (obtaining an unfair advantage over competitors, or improperly influencing a person to act favorably towards Descartes).

Kickbacks: A payment or in-kind Bribe given as a reward for an Improper Business Advantage (such as awarding a contract or the continuation of the business relationship) and includes the return of a portion of fees paid to suppliers or service providers to the individual who gave them the contract, but does not include legitimate payment of commissions.

Political Contribution: a financial or in-kind gift made to a political party, politician or a political organization.

Representatives: means all Descartes directors, officers, employees and Business Partners.

VERSION HISTORY:

The substantive elements of this document were updated on: December 3, 2013