



## Code of Business Conduct and Ethics

This Code of Business Conduct and Ethics sets forth the standard of conduct for directors, officers and employees (team members) of Bottomline Technologies (de), Inc. (the Company). This Code is intended to deter wrongdoing and to promote the conduct of all Company business in accordance with high standards of integrity and in compliance with all applicable laws and regulations. This Code applies to the Company and all of its subsidiaries and other business entities controlled by it worldwide.

If you have any questions regarding this Code or its application to you in any situation, you should contact your supervisor or the Company's President.

### **Equal Employment Opportunity**

Through its policies the Company shall be committed to providing equal opportunity to all qualified individuals. The Company shall comply with all applicable laws governing equal employment opportunities to assure that there is no unlawful discrimination against any employee or applicant. The Company's policies on employment, compensation, benefits, leave and safety are addressed specifically in the Company's Employee Handbook.

### **Harassment**

The Company believes that all persons should be treated with dignity and respect. It is the policy of the Company to provide a work environment that is free from harassment, especially pertaining to gender, race, color, age, religion, national origin, sexual orientation, or disability. No employee who brings a good faith report of harassment shall suffer retaliation or other adverse employment action or consequence and any employee found to have retaliated against an employee who reported a violation will be subject to discipline up to and including discharge from employment.

### **Compliance with Laws, Rules and Regulations**

The Company requires that all team members comply with all laws, rules and regulations applicable to the Company wherever it does business. You are expected to use good judgment and common sense in seeking to comply with all applicable laws, rules and regulations and to ask for advice when you are uncertain about them.

If you become aware of the violation of any law, rule or regulation by the Company, by any team member, it is your responsibility to promptly report the matter to your supervisor or the Company's President. While it is the Company's desire to address matters internally, nothing in this Code should discourage you from reporting any illegal activity, including any violation of governmental law, rule or regulation to the appropriate government regulatory authority. Team members shall not discharge, demote, suspend, threaten, harass or in any other manner discriminate against an employee because he or she in good faith reports any such violation. This Code should not be construed to prohibit you from testifying, participating or otherwise assisting in any state or federal administrative, judicial or legislative proceeding or investigation.

### **Conflicts of Interest**

Team members must act in the best interests of the Company. You must refrain from engaging in any activity or having a personal interest that presents a "conflict of interest." A conflict of interest occurs when your private interest interferes, or appears to interfere, with the interests of the Company. A conflict of interest can arise whenever you, as an officer, director or employee, take action or have interests that prevent you from performing your Company duties and responsibilities honestly, objectively and effectively.

It is your responsibility to disclose any material transaction or relationship that reasonably could be expected to give rise to a conflict of interest to the Company's President or, if you are an officer or director, to the Board of Directors, who shall be responsible for determining whether such transaction or relationship constitutes a conflict of interest.

### **Insider Trading**

Team members who have material non-public information about the Company or other companies, including our suppliers and customers, as a result of their relationship with the Company are prohibited by law and Company policy from trading in securities of the Company or such other companies, as well as from communicating such information to others who might trade on the basis of that information. To help ensure that you do not engage in prohibited insider trading and avoid even the appearance of an improper transaction, the Company has adopted an Insider Trading Policy which is available on the Company's Intranet or from the Company's Human Resources Department.

If you are uncertain about the legal constraints on your purchase or sale of any Company securities or the securities of any other company that you are familiar with by virtue of your relationship with the Company, you should consult with the Company's Chief Financial Officer before making any such purchase or sale.

## **Confidentiality**

Team members must maintain the confidentiality of confidential information entrusted to them by the Company or other companies, including our suppliers and customers, except when disclosure is authorized by a supervisor or legally mandated. Unauthorized disclosure of any confidential information is prohibited. Additionally, employees should take appropriate precautions to ensure that confidential or sensitive business information, whether it is proprietary to the Company or another company, is not communicated within the Company except to employees who have a need to know such information to perform their responsibilities for the Company.

Third parties may ask you for information concerning the Company. Team members (other than the Company's authorized spokespersons) should not discuss internal Company matters with, or disseminate internal Company information to, anyone outside the Company, except as required in the performance of their Company duties and after an appropriate confidentiality agreement is in place. This prohibition applies particularly to inquiries concerning the Company from the media, market professionals (such as securities analysts, institutional investors, investment advisers, brokers and dealers) and security holders. All responses to inquiries on behalf of the Company must be made only by the Company's authorized spokespersons. If you receive any inquiries of this nature, you must decline to comment and refer the inquirer to your supervisor or one of the authorized spokespersons.

You also must abide by any lawful obligations that you have to your former employer. These obligations may include restrictions on the use and disclosure of confidential information, restrictions on the solicitation of former colleagues to work at the Company and non-competition obligations.

## **Honest and Ethical Conduct and Fair Dealing**

Each team member should endeavor to deal honestly, ethically and fairly with the Company's suppliers, customers, competitors and employees. Statements regarding the Company's products and services should not be untrue, misleading, deceptive or fraudulent. You should not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair-dealing practice.

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

All team members should seek to protect the Company's assets. Theft, carelessness and waste have a direct impact on the Company's financial performance. Team members should use the Company's assets and services solely for legitimate business purposes of the Company and not for any personal benefit or the personal benefit of anyone else.

All team members should advance the Company's legitimate interests when the opportunity to do so arises. You should not take for yourself personal opportunities that

are discovered through your position with the Company or the use of property or information of the Company.

### **Software Code of Ethics**

Unauthorized duplication of copyrighted computer software violates the law and is contrary to the Company's standards of conduct. The Company disapproves of such copying and recognizes the following principles as a basis for preventing its occurrences:

- The Company will neither engage in nor tolerate the making or using of unauthorized software copies under any circumstances.
- The Company will provide legally acquired software to meet legitimate software needs in a timely fashion and in sufficient quantities for all its computers.
- The Company will comply with all license or purchase terms regulating the use of any software it acquires or uses.
- The Company will enforce strong internal controls to prevent the making or using of unauthorized software copies, including effective measures to verify compliance with these standards and appropriate disciplinary measures for violation of these standards.

If you have questions about the application of this Software Code of Ethics, please contact the Company's Chief Information Officer.

### **Gifts and Gratuities**

It is the Company's policy that you and members of your immediate family may not accept or give gifts if such gifts would influence or appear to influence business decisions or judgments by anyone doing business with the Company.

The use of Company funds or assets for gifts, gratuities or other favors to employees or government officials is prohibited, except to the extent such gifts are in compliance with applicable law, nominal in amount, and not given in consideration or expectation of any action by the recipient.

Team members must not accept, or permit any member of his or her immediate family to accept, any gifts, gratuities or other favors from any customers, suppliers or others doing or seeking to do business with the Company, other than items of nominal value. Any gifts that are not of nominal value should be returned immediately and reported to your supervisor. If immediate return is not practical, they should be given to the Company for charitable disposition or such other disposition as the Company believes appropriate in its sole discretion.

Common sense and moderation should prevail in business entertainment engaged in on behalf of the Company. Team members should provide, or accept, business entertainment to or from anyone doing business with the Company only if the entertainment is infrequent, modest and intended to serve legitimate business goals.

Bribes and kickbacks are criminal acts, strictly prohibited by law. No team member may offer, give, solicit or receive any form of bribe or kickback anywhere in the world. Bribes shall be interpreted in the broadest sense to include any type of preferential treatment secured by providing, directly or indirectly, an individual or his or her family members or associates with personal gain in relation to business conducted by or on behalf of the Company.

### **Accuracy of Books and Records and Public Reports**

All team members must honestly and accurately report all business transactions. You are responsible for the accuracy of your records and reports. Accurate information is essential to the Company's ability to meet legal and regulatory obligations. No team member shall directly or indirectly enter into any side agreements, either written or verbal, to any customer contract, sales order or purchase order which alter the terms thereof or provide additional terms, conditions or commitments.

All Company books, records and accounts shall be maintained in accordance with all applicable regulations and standards and accurately reflect the true nature of the transactions they record. The financial statements of the Company shall conform to generally accepted accounting rules and the Company's accounting policies. No undisclosed or unrecorded account or fund shall be established for any purpose. No false or misleading entries shall be made in the Company's books or records for any reason, and no disbursement of corporate funds or other corporate property shall be made without adequate supporting documentation.

It is the policy of the Company to provide full, fair, accurate, timely and understandable disclosure in reports and documents filed with, or submitted to, the Securities and Exchange Commission and in other public communications.

### **Fraud**

The Company prohibits its directors, officers and employees from engaging in fraud. The term fraud encompasses, but is not limited to, misappropriation and other irregularities including: dishonest or fraudulent acts; embezzlement; forgery or alteration of negotiable instruments such as Company checks and drafts; misappropriation of Company, employee, customer, partner or supplier assets; conversion to personal use of cash, securities, supplies or any other Company asset; unauthorized handling or reporting of Company transactions and falsification of Company records or financial statements for any reason.

## **Concerns Regarding Accounting or Audit Matters**

Employees with concerns regarding questionable accounting or auditing matters or complaints regarding accounting, internal accounting controls or auditing matters may confidentially, and anonymously if they wish, submit such concerns or complaints in writing to the Company's President at the addresses listed below or may use the toll-free phone line shown below. See "Reporting and Compliance Procedures." All such complaints will be forwarded to the Audit Committee of the Board of Directors, unless they are determined to be without merit by the President of the Company. In any event, all complaints will be included in a comprehensive list to be provided to the Audit Committee each fiscal quarter. Any such complaints may also be communicated, confidentially and, if you desire, anonymously, directly to the President and the Chairman of the Audit Committee of the Board of Directors pursuant to the Company's "Whistleblower Policy."

The Audit Committee will evaluate the merits of any complaints received by it and authorize such follow-up actions, if any, as it deems necessary or appropriate to address the substance of the complaint.

The Company will not discipline, discriminate against or retaliate against any employee who reports a complaint or concern (unless the employee is found to have knowingly and willfully made a false report).

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

While some of the policies contained in this Code must be strictly adhered to and no exceptions can be allowed, in other cases exceptions may be possible. Any employee or officer who believes that an exception to any of these policies is appropriate in his or her case should first contact his or her immediate supervisor. If the supervisor agrees that an exception is appropriate, the approval of the Company's President must be obtained. The Company's President shall be responsible for maintaining a complete record of all requests for exceptions to any of these policies and the disposition of such requests.

Any executive officer or director who seeks an exception to any of these policies should contact the President. Any waiver of this Code for executive officers or directors or any change to this Code that applies to executive officers or directors may be made only by the Board of Directors of the Company and will be disclosed as required by law or stock NASDAQ regulation.

## **Reporting and Compliance Procedures**

Every team member has the responsibility to ask questions, seek guidance, report suspected violations and express concerns regarding compliance with this Code. Any team member who knows or believes that any other employee or representative of the Company has engaged or is engaging in Company-related conduct that violates applicable law or this Code should report such information to his or her supervisor or to the President of the Company, as described below. You may report such conduct openly or anonymously without fear of retaliation. The Company will not discipline, discriminate

against or retaliate against any employee who reports such conduct in good faith, whether or not such information is ultimately proven to be correct, or who cooperates in any investigation or inquiry regarding such conduct. Any supervisor who receives a report of a violation of this Code must immediately inform the Company's President.

You may report violations of this Code, on a confidential or anonymous basis, by contacting the Company's President, Rob Eberle, by mail, fax or e-mail at: Bottomline Technologies, 325 Corporate Drive, Portsmouth, NH 03801, Fax 603-436-0300 or e-mail [reberle@bottomline.com](mailto:reberle@bottomline.com). In addition, the Company has established a toll-free number 1-800-381-3731 where you can leave a recorded message about any violation or suspected violation of this Code. While we prefer that you identify yourself when reporting violations so that we may follow up with you, as necessary, for additional information, you may leave messages anonymously if you wish.

In addition, the Company's "Whistleblower Policy" provides a means by which complaints may be communicated, confidentially and, if you desire, anonymously, directly to the Company's President and the Chairman of the Audit Committee of the Board of Directors. Copies of the Company's Whistleblower Policy are available on the Company's Intranet as well as from the Human Resources department.

Employees, officers and directors are expected to cooperate fully with any inquiry or investigation by the Company regarding an alleged violation of this Code. Failure to cooperate with any such inquiry or investigation may result in disciplinary action, up to and including discharge.

The Company shall determine whether violations of this Code have occurred and, if so, shall determine the disciplinary measures to be taken against any employee who has violated this Code. In the event that the alleged violation involves an executive officer or a director, the Chief Executive Officer and the Board of Directors, respectively, shall determine whether a violation of this Code has occurred and, if so, shall determine the disciplinary measures to be taken against such executive officer or director.

Failure to comply with the standards outlined in this Code will result in disciplinary action including, but not limited to, reprimands, warnings, probation or suspension without pay, demotions, reductions in salary, discharge and restitution. Certain violations of this Code may require the Company to refer the matter to the appropriate criminal or civil authorities for investigation or prosecution. Moreover, any supervisor who directs or approves of any conduct in violation of this Code, or who has knowledge of such conduct and does not immediately report it, also will be subject to disciplinary action, up to and including discharge.

### **Dissemination and Amendment**

This Code shall be distributed annually to each employee, officer and director of the Company, and each employee, officer and director shall certify that he or she has received, read and understood the Code and has 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 on the Company's Intranet or obtained from the Company's Human Resources Department.

This document is not an employment contract between the Company and any of its employees, officers or directors and does not alter the Company's at-will employment policy.



## Code of Business Conduct and Ethics Certification

I, \_\_\_\_\_ do hereby certify that:  
(Print Name Above)

1. I have received and carefully read the Code of Business Conduct and Ethics of Bottomline Technologies (de), Inc.
2. I understand the Code of Business Conduct and Ethics.
3. I have complied and will continue to comply with the terms of the Code of Business Conduct and Ethics.

Date: \_\_\_\_\_  
\_\_\_\_\_  
(Signature)

**EACH EMPLOYEE, OFFICER AND DIRECTOR IS REQUIRED TO SIGN, DATE AND RETURN THIS CERTIFICATION TO THE HUMAN RESOURCES DEPARTMENT WITHIN THIRTY DAYS OF ISSUANCE. FAILURE TO DO SO MAY RESULT IN DISCIPLINARY ACTION.**