



# ActivIdentity Corporation

## Code of Business Conduct and Ethics

Revised September 17, 2007

## Introduction – General Statement of ActivIdentity Policy

It is the policy of ActivIdentity Corporation and its affiliates, subsidiaries and related bodies corporate (collectively “ActivIdentity”) to conduct business in accordance with all applicable laws and regulations of each country in which they operate. This policy demands adherence to the highest standard of business ethics and conduct. This policy also requires that we help secure the loyalty of our customers, the commitment of our employees and the goodwill of the communities in which we operate.

In this spirit, all ActivIdentity directors, officers and employees will:

- know, understand, and comply with both the spirit and letter of the laws, regulations, and codes of conduct governing the conduct of our business;
- conduct all dealings with our customers, suppliers and competitors fairly, with probity, honesty and integrity;
- act in good faith, responsibly, with due care, competence and diligence;
- avoid conflicts of interest, both real and perceived, in personal and professional relationships and never compete directly, or indirectly, with ActivIdentity;
- ensure that all transactions are handled honestly and recorded and reported in an accurate, timely and objective manner;
- protect information that belongs to ActivIdentity, our customers, suppliers, and fellow workers;
- protect ActivIdentity’s assets and ensure their efficient use and report any suspected incident of fraud or theft immediately;
- never use their position within ActivIdentity or ActivIdentity assets or information for improper personal gain;
- respect the rights of all employees to fair treatment and equal opportunity, free from discrimination or harassment of any type; and
- recognize that even the appearance of misconduct or impropriety can be very damaging to the reputation of ActivIdentity and act accordingly.

If you violate this Code you will be subject to disciplinary action, up to and including, termination. If you are in a situation that you believe may violate or lead to a violation of this Code, please refer to the Guidelines described at the end of this Code. This Code is not a comprehensive or exclusive representation of all policies and procedures that apply to your role within ActivIdentity, and other policies either incorporated by reference herein or not may likely apply to your behavior within ActivIdentity.

## Compliance with the Law

The foundation on which ActivIdentity’s Code of Business Conduct and Ethics is built is obeying the law. We will comply with the law, both in letter and in spirit, in all of the countries where we do business. It is each person’s responsibility to attend ActivIdentity training sessions regarding matters covered by this Code and maintain a working knowledge of business law and ethics, both by studying these guidelines and other materials given to you by ActivIdentity’s Chief Financial Officer, and by paying attention to publications, broadcasts, and other generally available sources of information about these matters.

## Confidential Information

Confidential ActivIdentity information is an important corporate asset that merits the same protection as our physical assets. It is very important for all employees to safeguard ActivIdentity's confidential information and to refuse any improper access to such information, entrusted to us for whatever purpose.

In terms of our own confidential information, the following are our guidelines:

- (a) Any ActivIdentity proprietary information to which any of us may have access should be discussed with others within ActivIdentity only on a need-to-know basis.
- (b) If we wish to disclose our confidential information to any people outside of ActivIdentity, it should be done only pursuant to confidentiality agreements, which can be obtained from the Legal Department.
- (c) We should always be alert to inadvertent disclosures that may arise in either social conversations or in normal discussions and correspondence with our suppliers and customers.
- (d) For certain activities or projects, employees may be required to enter into a separate document dealing with respect confidential information.

Confidential or proprietary information of ActivIdentity includes any information, whether or not in tangible form, that is not generally disclosed to the public and that is useful or helpful to ActivIdentity and/or which would be useful or helpful to competitors of ActivIdentity. It includes information sometimes referred to as "trade secrets." Common examples include financial data, sales figures for individual products or groups of products, plans for new products or advertising programs, areas where ActivIdentity intends to expand or improve its products, lists of suppliers, lists of customers, wage and salary data, capital investment plans, projected earnings, changes in management or policies of ActivIdentity, testing data, product specifications or price lists. This policy is also covered in detail in the Employee Proprietary Information and Inventions Agreement entered into by each of our employees.

We also have an obligation to protect the confidential information provided to us by our customers, our suppliers and fellow workers during the course of our business. They expect our confidentiality — just as we expect theirs.

## Classified Information / Security Clearances

As a vendor to various government entities, ActivIdentity may receive information of a sensitive or classified nature. The various classification levels applicable to information received from such entities may range from TOP SECRET, SECRET, CONFIDENTIAL, "controlled unclassified information" or "Protected" ("Classified Information"), although the terminology regarding classifications may differ between different entities and governments. The rules and requirements applicable to access, use and disclosure of Classified Information are highly technical, and assistance should be sought from the Legal Department if you have questions in regard to your obligations in this area.

As an agent of ActivIdentity, you may also be requested to submit to a personal background check to obtain a security clearance for purposes of enabling access to certain Classified Information. In this event, it is expected that any and all information provided to ActivIdentity, its external agents and/or the requestor will be completely truthful and not misleading.

## Securities Laws and Insider Trading

It is both illegal and against ActivIdentity policy for any individual to profit from undisclosed (also called “inside”) information relating to ActivIdentity or any company with which we do business. Anyone who has any material inside information — whether relating to ActivIdentity directly or indirectly — that ActivIdentity has not yet made public may not purchase or sell any of ActivIdentity’s securities. Also, it is against ActivIdentity policy for any director, officer or employee who may have material non-public information about any of our suppliers, customers or any ActivIdentity with which we do business to purchase or sell the securities of that ActivIdentity. All directors, officers and employees are also required to comply with those provisions of their local laws which deal with insider trading.

ActivIdentity’s insider trading rules are covered in more detail in our corporate policy entitled “Policy on Transactions in Company Securities.” You should become familiar with that policy and consult it before initiating any transaction in ActivIdentity securities or those of ActivIdentity’s suppliers, customers or others in which we do business.

If you are uncertain about the legal rules involving your purchase or sale of any securities of ActivIdentity or any securities in companies familiar to you by virtue of your work for ActivIdentity, you should consult with the Compliance Officer identified in the Corporate Policy before making any such purchase or sale.

## Unauthorized Use of ActivIdentity Property or Services

You may only use ActivIdentity property (including the e-mail system) for legitimate business purposes. No one may use or remove from ActivIdentity premises any ActivIdentity property or services for any personal benefit or the personal benefit of anyone else. ActivIdentity realizes that sometimes the line between personal and ActivIdentity benefits is difficult to draw, and sometimes there are both personal and ActivIdentity benefits in certain activities. Examples include articles of a technical or professional nature that may enhance the stature or reputation of the author and also may have some benefit to ActivIdentity, and employee participation in continuing education programs. The only prudent course of conduct is to make sure that your supervisor approves, in advance, any use of ActivIdentity property or services that is not solely for the benefit of ActivIdentity.

## Conflicts of Interest

We expect ActivIdentity directors, officers and employees to avoid any association, which might conflict with their loyalty to ActivIdentity or compromise their judgment. A conflict of interest exists whenever a person’s private interests and his or her business responsibilities are at odds. ActivIdentity prohibits conflicts of interest, except under circumstances approved by the Board of Directors.

Any situation that presents a conflict of interest for you would probably also present a conflict of interest if it is related to a member of your family or a close relative and, therefore, should be avoided. For example, ownership of stock in competitors or suppliers, or receipt of gifts or entertainment by members of your immediate family would create the same conflict of interest as if the stock was owned or the entertainment received by you.

If you think you may have a direct or indirect conflict of interest— or know of a conflict of interest that exists elsewhere in ActivIdentity — you must disclose such potential conflict to your immediate supervisor or the Chief Financial Officer. After an employee has disclosed a potential conflict, a determination will be made either by management or by the Board of Directors, depending on the nature or extent of the conflict as to what course of conduct to follow, including whether to divest the conflicting interest, returning the benefit or gain received, or realigning duties and responsibilities.

## Gifts and Entertainment

It is contrary to ActivIdentity policy for employees or members of their immediate families to accept gifts, services, discounts or favors from those persons and businesses with whom ActivIdentity does business or considers doing business. Gifts, entertainment, favors or gratuities are subject to the following guidelines:

- (a) Employees may accept gifts of nominal value ordinarily used for sales promotion (for example, calendars, appointment books, pens, etc.);
- (b) Ordinary “business lunches” or reasonable entertainment consistent with local social and business customs may also be permissible if these actions can be reciprocated by the employee and are reasonable in cost and frequency. Refer to our current Expense Reimbursement Policy for additional information in this regard.

If you receive a gift that does not fall within these guidelines, you must report it to your supervisor and the gift must be returned. If return of the gift is not practical, it should be given to ActivIdentity for charitable disposition or such other disposition, as ActivIdentity deems appropriate.

Government entities may also have their own guidelines restricting those entities or their representatives from accepting gifts, services and entertainment. In applicable circumstances, employees are required to make themselves aware of those guidelines.

## Corporate Opportunities

Employees, officers and directors are prohibited from taking for themselves personally opportunities that arise as a result of corporate property, information (including intellectual property) or position without the consent of the Board of Directors. No one may use corporate property, information (including intellectual property), or position for improper personal gain, and no employee may compete with ActivIdentity directly or indirectly. Employees, officers and directors owe a duty to ActivIdentity to advance its legitimate interests when the opportunity to do so arises.

## Accurate Books and Records

ActivIdentity requires honest and accurate recording and reporting of all ActivIdentity information. All of ActivIdentity’s books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect ActivIdentity’s transactions and must conform both to applicable legal requirements and to ActivIdentity’s system of internal controls.

The law requires us to maintain books and records that accurately reflect the true nature of the transactions entered into or conducted by or on behalf of ActivIdentity. In all of our operations, it is against ActivIdentity policy, and possibly illegal, for any director, officer or employee to cause our books and records to be inaccurate in any way. Senior financial officers and anyone involved in preparing ActivIdentity’s disclosure documents must also ensure that these documents fully, fairly, accurately and timely present the required information in an understandable manner.

Transactions must be executed: (a) in accordance with management’s authorization and (b) in a manner which permits preparation of ActivIdentity’s financial statements in conformity with U.S. GAAP (generally accepted accounting principals) and other applicable criteria. Expense reimbursements must accurately reflect the true nature and amount of the expenses. These are just a few examples of maintaining accurate books and records.

It is very important that no one creates, or participates in the creation of, any records that are intended to mislead anyone or conceal any improper act or conduct. For details of this policy, please consult the Legal Department for a copy of our Document Retention Policy. Additional policies pertaining to maintenance of these internal controls may also be issued by the Disclosure Reporting Committee from time to time.

## Fair Competition

We intend to succeed in the marketplace through superior performance, not by unethical or manipulative practices. ActivIdentity and its directors, officers and employees must treat customers and suppliers honestly and fairly. No one shall make false, misleading or disparaging remarks to customers or suppliers about other customers/suppliers or about competitors of ActivIdentity, their products or services. ActivIdentity directors, officers and employees are prohibited from offering or paying items that may be construed as bribes or kickbacks.

## Trade Practices Laws

We will compete vigorously and comply with all applicable competition, antitrust and trade practices laws, including those relating to economic espionage. These laws generally prohibit agreements that restrict competition and include restrictions against agreements between competitors as to pricing, bidding, production, supply and customer practices. These laws also apply to various forms of unfair conduct that may tend to create a monopoly. Since these laws are far-reaching and very complicated, you should contact the Chief Financial Officer before taking any action that may fall within the scope of these laws.

## Non-Discrimination

ActivIdentity is committed to allowing employees to progress based on their talents. No employment decision may be based on, for example, an employee's or employment applicant's race, ethnicity, color, gender, sexuality, religion, age, national origin, parental or care-giver status, marital status or disability. Each director, officer and employee is subject to this standard. The Vice President of Human Resources is responsible for enforcement of this policy, and this policy is further described in your Employee Handbook. If you believe this policy has been violated, contact the Chief Financial Officer immediately.

## Anti-Harassment

ActivIdentity expects all personnel to follow a simple standard: all employees must be treated with respect. "Harassment" covers a wide spectrum of conduct and includes (but is not limited to) verbal harassment (epithets, slurs, derogatory statements), physical harassment (hitting, pushing, or other aggressive contact) and visual harassment (posters, cartoons, drawings). This Code sets out a simple standard, and this policy is further described in your Employee Handbook. Anyone who believes this standard is not being maintained should contact the Vice President of Human Resources or Chief Financial Officer immediately.

## Environment and Occupational Health and Safety

It is ActivIdentity's policy to establish and manage a safe and healthy work environment and to manage its business in a manner that is sensitive to the environment and conserving natural resources. ActivIdentity will comply with all environmental, occupational health and safety laws. In addition, ActivIdentity policy prohibits the

use or possession of any illegal drug, any legal prescription drug that is a controlled substance (except by the person to whom the prescription has been issued and consistent with the prescribed directions for use), or any alcohol on ActivIdentity property, except in the case of ActivIdentity-sanctioned events. Directors, officers and employees are also prohibited from being on ActivIdentity property under the influence of alcohol or any controlled or illegal substance.

## Copyrights and Computer Software

Our policy is to respect copyright laws and observe the terms and conditions of any license agreements to which ActivIdentity is a party. In most cases, this means that the software used by our employees is copyrighted, and ActivIdentity does not have the right to make copies of that software (except in certain circumstances for backup purposes) or the right to re-distribute or embed such software with our software products. This includes not only the substantial software programs ActivIdentity may license, but also the smaller so-called shrink-wrap programs typically used for word processing, spreadsheets and data management, and may apply to so-called “open-source” software licensed from the internet. A copy of ActivIdentity’s Third Party Software Procurement Policy can be obtained from the Legal Department.

## Outside Employment and External Work

ActivIdentity requires the full attention of its employees. In general, this level of attention makes it impractical for employees to pursue extensive employment or to enter into personal engagements to perform work outside of their employment with ActivIdentity. Moreover, the performance of external work could lead to a conflict of interest for the employee. Consequently, any external (i.e., non-ActivIdentity) work performed by an employee must be approved in advance by the Chief Operating Officer.

## International Business

ActivIdentity is committed to observing the highest ethical standards in all of its business transactions. Since our principal headquarters is located in the United States, ActivIdentity is prevented from taking any action in connection with any international transaction and any action in any foreign country that would be illegal or improper in the U.S. Of course, all employees are expected to observe all applicable laws to which they or ActivIdentity may be subject. This includes foreign tax laws, customs duties and regulations, drug testing, licensing, manufacturing and marketing laws, rules and regulations and currency restrictions. No actions should be taken that are intended to improperly circumvent the application of such laws. Some of the concerns raised by international business are as follows:

### (a) Foreign Corrupt Practices Act

The Foreign Corrupt Practices Act prohibits ActivIdentity, or any officer, director, employee or agent of ActivIdentity from, among other things, making an offer, payment, promise to pay or authorization of the payment of any money, or offer, gift, promise to give, or authorization of the giving of anything of value to any foreign official, any foreign political party or official thereof or any candidate for foreign political office, or any other person, such as a foreign agent or consultant, knowing that all or a portion of such money or thing of value will be offered, given or promised, directly or indirectly, to any foreign official, any foreign political party or official thereof, or any candidate for foreign political office, for the purpose of (i) influencing any act or decision of such

foreign official in his official capacity, (ii) inducing such foreign official to do or omit to do any act in violation of the lawful duty of such official, or (iii) securing any improper advantage, or inducing such foreign official to use his influence with a foreign government or instrumentality thereof to affect or influence any act or decision of such government or instrumentality, in order to assist ActivIdentity in obtaining or retaining business for or with, or directing business to, any person.

### **(b) Anti-boycott Laws**

U.S. anti-boycott laws prohibit or severely restrict ActivIdentity from participating in boycotts against countries friendly to the U.S., and require ActivIdentity to report both legal and illegal boycott requests to the U.S. government.

### **(c) Export Controls**

Many of our products and services offerings are subject to export control restrictions in various jurisdictions. ActivIdentity's products involve the use of encryption technology, which is subject to highly technical export rules in each of the US, France, Australia and Canada, for instance. Export control regulations are quite complex, and any employee involved in any export transaction must observe at least the following two rules:

- 1) Employees should satisfy themselves that there is some regulation or specific export license that covers the export they want to make. This includes exports of technology, as well as exports of goods or services.
- 2) Any information that an employee furnishes either to our employees, to the government or to companies that we may have hired to facilitate our export transactions must be truthful and accurate. This includes both information as to the technology in question and information as to the economic value of the exports.

Employees involved in our export business also have an obligation to be reasonably alert to situations in which inaccurate information may have been furnished, either to us or to any of our agents, involving the ultimate destination or use of the goods. This is particularly important for goods of the type that are not permitted to be shipped to certain countries. If any ActivIdentity employee believes that there is any doubt as to the truth or accuracy of the information being furnished us regarding the ultimate destination or use of products we export, the employee should contact his/her supervisor or the Chief Financial Officer.

The definition of "export" is quite broad and can include conversations of a technical nature with a citizen of another country even though that conversation takes place entirely within the U.S., France or Australia. Other examples of possible export include tours of our facilities where foreign visitors could obtain technical information and the sharing of technical information and/or software code between various ActivIdentity business units and subsidiaries. If there is any doubt as to whether any situation involves an "export" within the meaning of our export control laws, the Chief

Financial Officer should be consulted. A copy of our current Export Control Policy and Procedure manual can be obtained from the Legal Department.

#### **(d) Imports**

All goods imported into the U.S. must pass through customs and, except in some limited cases where there are exemptions, a duty must be paid. The amount of that duty is based upon the classification of the goods and the value of the merchandise. Similar requirements apply to the import of goods into France, Australia and other jurisdictions in which ActivIdentity operates. All information furnished to any customs official or to any agent that ActivIdentity hires to facilitate our imports must be truthful and accurate.

#### **(e) Country of Origin Certification**

All ActivIdentity products, and products to be resold by ActivIdentity, must certify a “country of origin” for purposes of determining the location of manufacture. The certification of all products must truthfully and accurately disclose the “country of origin” and such determination may be subject to complicated analyses involving the sourcing value or location of manufacture of various components used within the resultant product or good. For sales in the U.S., either or both of the Trade Agreements Act and Buy American Act may apply, especially in sales to government end-users. These regulations are highly technical, and assistance in determining “country of origin” should be obtained from the Legal Department where appropriate. All information furnished internally, to any customs official or to any agent that ActivIdentity hires must be truthful and accurate.

#### **(f) Terrorism**

Report any requests to manufacture or sell any drug or other product that could be used in an act of terrorism to the Chief Financial Officer.

### **Economic Espionage**

ActivIdentity has adopted a compliance plan establishing standards and procedures to be followed by employees to reduce the likelihood of a violation of the Economic Espionage Act. All employees are required to observe the terms of this compliance plan.

### **Political Activity**

No ActivIdentity funds or assets, including work time of an employee, will be contributed, loaned or made available to any political party or to the campaign of any candidate for political office.

## Guidelines

When you are faced with a business decision that seems to have ethical overtones, here are some questions that should be helpful to determine if your actions are proper:

- Will there be any direct or indirect negative consequences for ActivIdentity?
- Am I adhering to the spirit, as well as the letter, of ActivIdentity's Code of Business Conduct and Ethics, and any law or ActivIdentity policy that may be involved?
- Would I be proud to explain my actions to my family, fellow employees - or on tonight's news broadcast?

If you remain uncertain about what to do, stop and ask the appropriate person. Speak with your supervisor or, if you prefer, communicate with any of the other points of contact identified in this Code. You are responsible for complying with the procedures described in this Code. If you have any doubt, ask for help from your management or the Legal Department. You may always report any suspected violation of this Code in confidence and without fear of retaliation.

## Your Obligations

Every director, officer and employee must comply with this Code and must be alert and sensitive to situations that could result in illegal, unethical, or improper action. Each director, officer and employee has the obligation to report potential or actual violations of this Code to his or her immediate supervisor, or, alternatively, to the Chief Financial Officer. Conduct that violates this Code will constitute grounds for disciplinary action — ranging from reprimand to termination and possible criminal prosecution. You are expected not only to adhere to this Code of Business Conduct and Ethics, but also to exercise good judgment in all circumstances. In addition, disciplinary measures will apply to any supervisor or manager who directs or approves of conduct in violation of this Code.

If you have any questions about the proper application of these guidelines or about what is required by the law in any given situation, you must consult with the Chief Financial Officer.

Should you need advice, or if you have reason to believe that a domestic or foreign law could be violated in connection with ActivIdentity business, notify your supervisor or the Chief Financial Officer at once. If your situation requires that your identity be kept a secret, your anonymity will be protected. You can call **1-800-826-6762** to anonymously report a violation of this Code.

Under no circumstances will any employee be subject to any disciplinary or retaliatory action for reporting a violation or potential violation. However, making known false or malicious reports will not be tolerated, and anyone filing such reports will be subject to appropriate disciplinary action.

## Certain Administrative Matters

### Distribution

Every director, officer and employee of ActivIdentity shall be given a copy of this Code and asked to sign a certification acknowledging receipt of it substantially in the attached form. Every new director, officer and employee will be given a copy of the Code and asked to acknowledge receipt of it upon their commencement of employment with ActivIdentity. This Code is available in ActivIdentity's Employee Handbook, is posted on ActivIdentity's intranet, on ActivIdentity's website and is included as an exhibit to ActivIdentity's annual report.

## Audits

In some cases, compliance with our policies will be monitored by periodic audits. These may be done by ActivIdentity's legal counsel or at the direction of the Chief Financial Officer. All directors, officers and employees are required to cooperate fully with any such audits and to provide truthful and accurate responses to any request.

## Changes, Amendments and Waivers

Only the Board of Directors or an appropriate Board committee may make any change, amendment or waiver of this Code. In the event of any change or amendment to this Code, such change or amendment will be distributed to directors, officers and employees in the most expeditious way possible. Waivers of this Code will rarely, if ever, be granted. Changes, amendments and waivers and will also be disclosed promptly as required by law.

## Non-exclusivity

No representation is expressed or implied that the policies stated herein are all the relevant policies nor that they are a comprehensive, full or complete explanation of the laws or standards of conduct that are applicable to ActivIdentity and its employees. All ActivIdentity directors, officers and employees have a continuing obligation to familiarize themselves with applicable law and ActivIdentity policy.

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Nothing contained in this Code of Business Conduct and Ethics is intended by ActivIdentity to be, nor shall it be construed as, an employment agreement.

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## Certification

I have received and read the ActivIdentity Code of Business Conduct and Ethics and agree to comply with its policies. I understand that confidential and proprietary information must not be disclosed without permission, and should never be used for personal benefit or for the benefit of others. I will report any new activities or interests that might give rise to a conflict of interest to the General Counsel or as required by the Code.

If I have questions or concerns about compliance with the Code, I will raise it with the General Counsel.

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Signature

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Name (Print)

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Department/Location

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Date

PLEASE RETURN THIS EXECUTED CERTIFICATION TO THE CORPORATE LEGAL DEPARTMENT IN  
FREMONT, CALIFORNIA.

