



WE SUPPORT

United Nations Global Compact
Communication on Progress 2015

The Ten Principles of the United Nations Global Compact

HUMAN RIGHTS principles

- Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights; and
Principle 2 make sure that they are not complicit in human rights abuses.

LABOUR principles

- Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
Principle 4 the elimination of all forms of forced and compulsory labour;
Principle 5 the effective abolition of child labour; and
Principle 6 the elimination of discrimination in respect of employment and occupation

ENVIRONMENTAL principles

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
Principle 8: undertake initiatives to promote greater environmental responsibility; and
Principle 9: encourage the development and diffusion of environmentally friendly technologies

ANTI-CORRUPTION principles

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery;

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About Ximedes

What we do

Ximedes designs and develops mission critical software for innovative organizations. We support our clients with realising their business goals by delivering

1. Project based high quality software applications for the product roadmap of our clients
2. Product based card- and cloud based payment & transaction systems.

Both propositions offer a drastically reduced time-to-market by integrating existing software components for online payment processing, card management, and facility management, as well as hardware NFC readers for payment and public transport cards.

Markets

We have an extensive portfolio of successful projects and implementations in the financial services and public transport market. With our facility management payment solutions we are market leader in the Dutch education market and active in Industry plants.

Ximedes is active in the Netherlands, Germany and the UK.

Team

We employ for about 80 people in Haarlem, the Netherlands and Novi Sad, Serbia.

Mission statement

We help innovative organizations achieve their business goals by creating bespoke software products, fit for use and purpose, whose elegant design and quality of implementation make them capable of supporting multi-year business cases in an ever-changing world.

Values

Mutual trust and respect for employees and clients alike are key values within Ximedes, and are the foundation for our successful innovations. This is why we hold ourselves to high standards when it comes to our relation with our employees, clients, the environment, and society as a whole. Ximedes is a member of the United Nations Global Compact.

Core activities

We offer high-quality software development services, with a strong focus on craftsmanship, code quality, and automated testing. Combined with an integrated approach to maintenance and operations, we support our clients during the full software application lifecycle.

We offer several ready to use components and solutions for proximity and online payments, facility management and public transport transactions.

We are capable of assuming full operational responsibility for hosting and maintain the software we develop, including 24/7 support services and managed hosting.

Our Application Lifecycle Management services offer continuous capacity to extend, improve and maintain the application under a single unified approach to quality.

Service Focus

We focus on mission critical systems in the area of financial services (payments, treasury, leasing), public transport, and facilities (access, closed loop payments, facility management).

Over the years, we have gained thorough experience in fulfilling the challenging non-functional demands typical for these type of systems.

We approach the market under two separate labels, Ximedes Software B.V. and Ximedes Solutions B.V.

History

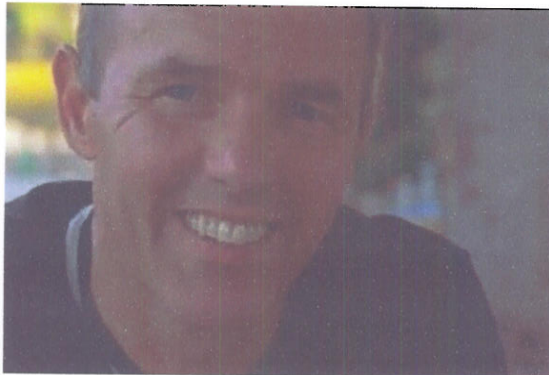
The story of Ximedes starts in 1998, the founding year of Ximedes' predecessor, Chess Information Technology B.V.

In 2011, TIIN Capital (The Informal Investors Network) funded a management buyout to create Chess iT International B.V., per January 1st, 2016 renamed to Ximedes Software B.V.

Ximedes Software B.V. currently employs 65 people.

In 2013, Chess opened a branch called Chess nX in Novi Sad, Serbia, to address a growing demand for near-shoring software engineering capacity. Chess nX employs 10 people.

In 2014, Magna Carta Chipcard Solutions B.V., a product company focusing on facility management systems in the education market, was acquired by Chess. Per January 1st, 2016 Magna Carta was renamed tot Ximedes Solutions B.V. Nowadays Ximedes Solutions B.V. employs 5 people.



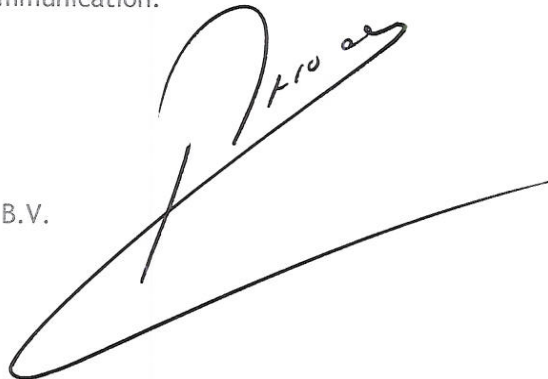
Statement of continued support

To our stakeholders:

I am pleased to confirm that Ximedes continues its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption. In this annual Communication on Progress, we will describe the actions we have made to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

Sincerely yours,

Rene Hodde
CEO Ximedes Software B.V.



UN Global Compact

The United Nations Global Compact is a strategic alliance between companies. These companies commit to the fact that they connect their operations and organizational strategies to the ten worldwide accepted principles, on 4 domains: human rights, labor, environment and anti-corruption.

The UN Global Compact asks companies to embrace, support and enable these 10 principles in their entire environment. The goal is that people and nature are better treated and this leads to a pure work and living understanding between humans, nature and use of raw materials. Eventually it is the explicit expression of a joint responsibility to not exhaust the world and its inhabitants.

For Ximedes the ten principles seem obvious. Unfortunately this is not so obvious in big parts of the world and even within many companies within Europe and the Netherlands. The chance that you engage in business with other companies that do not adhere these principles is always present and Ximedes wants to be aware and stay aware of that fact. With our support we want to explicitly show our support of the Global Compact. Commitment of companies can be a strong engine, especially when united. That is why Ximedes is member of the United Nations Global Compact.

Communication of the ten principles

The 10 principles of the UN Global Compact are included in our code of conduct and on our internal information site. We have informed our employees about the UN Global Compact during our formal mandatory two monthly community meeting (Tuning). Candidates for vacant positions within Ximedes are also informed about our commitment.

We wrote about the 10 principles on our website and in our newsletter to make our clients, suppliers, employees and partners understand our position regarding these principles.

HUMAN RIGHTS principles

- Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights; and
 Principle 2 make sure that they are not complicit in human rights abuses.

Assessment, Policy and goals

As a company and on personal behalf of all our employees we state to respect the internationally proclaimed Human Rights and like to go beyond that. We think it is important to stimulate good behavior to others by setting the right example. We aim to cooperate with business partners that think alike.

Some of the most relevant rights are: rights to non-discrimination, equal pay for equal work, just and favorable remuneration, a safe and healthy work environment, physical and mental health, rest and leisure, privacy, freedom of association.

Implementation

In our annually published business plan we address our culture and HR aspects in separate chapters. The business plan is distributed to our employees, major clients, shareholders and the bank.

Our Work/Employee council cares for the benefits of our employees. They have regular meetings with the management team about decisions made.

Our employees are informed in several ways about the 10 principles of the UN Global Compact, starting with the job interview, in job control meetings, in joint company meetings and finally on the internal information website.

Our HR department oversees the principles in our day-to-day behavior and processes. Bi-weekly HR makes an HR status report for the management team, possible deviations are reported.

Measurement of outcomes

Ximedes holds an employee satisfaction survey amongst all employees. This is filled out during our job control meetings and is therefore measured throughout the whole year. We also hold a client satisfaction survey amongst several customers once a year.

No issues have been reported so far in relation to (potential) human rights violations, nor was Ximedes involved in any human rights incidents before or during the reporting period.

The HR manager reports to the MT in the MT meeting about ongoing HR issues biweekly. He also writes up these issues in an HR report.

Our work / employee council writes a yearly report.

LABOUR principles

- Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4 the elimination of all forms of forced and compulsory labour;
- Principle 5 the effective abolition of child labour; and
- Principle 6 the elimination of discrimination in respect of employment and occupation

Assesment, Policy and goals

In our working conditions document ("Code voor Werken") we address our culture and agreed policies, conditions and rights and assimilate the Global Compact principles. Every employee has a copy of this conditions. Regularly we update these conditions due to law-changes, improvements and changed or new conditions and rights. Per January 2016 this "Code voor Werken" handbook is harmonized for all our employees (including the acquired Magna Carta chipcard solutions BV employees).

There is no discrimination of race, religion or sexual preference at Ximedes. Men and women are equally rewarded within their position.

Within Ximedes and nX, the HR manager serves as confidant / counselor. If necessary there is also a neutral confidant at the Arbodienst to treat complaints of sexual intimidation, discrimination, aggression or violence.

Our Work/Employee council cares for the benefits of our employees. They have regular meetings with the management team. They safeguard our employees working conditions and equal opportunities.

Ximedes works with various function levels in which the roles that an employee can fulfill within Ximedes are described. Every function level has a salary range (minimal/maximal salary), a maximal set expanse payment and devices that are issued by Ximedes.

Ximedes has a diverse workforce. Men and women have equal opportunities. We employ employees from different nationalities.

Implementation

Ximedes strongly believes that employee satisfaction and shared goals are crucial to achieve the best business result. Therefore additional effort is being made on communication. There are different channels of communication towards all the employees of Ximedes:

- management messages
- newsletters
- emails
- formal letters
- the internal information website
- informal biweekly community meetings (chats)
- formal mandatory bimonthly community meeting (tunings)
- presentations during lunchtime (lunch sessions)
- team meetings
- work / employees council meetings with the management
- Management meetings with principals
- job control meetings

For our colleagues in Novi Sad most of this communication will be written but they are regularly invited to the Netherlands to have face-to-face meetings with their Dutch colleagues.

Ximedes is a company with a flat organisation structure. We have an open door policy throughout the company.

Biweekly we organize an informal community meeting where each team informs everybody about the development in their project. We also organize a formal mandatory bimonthly community meeting where a business update is given by one of the MT members regarding the overall state of affairs. During both meetings employees can ask questions about anything they want.

During coffee and Friday afternoon drinks employees we have the opportunity to speak informally to each other.

Since 2015 we have a new and improved retirement pension insurance for all of the Ximedes employees. As soon as the current insurance policy of Magna Carta ends, all the former employees of Magna Carta will participate in the improved pension insurance of Ximedes.

Measurement of outcomes

In 2014 we started to do the employee satisfaction survey during the yearly job control meeting, so we measure employee satisfaction during the whole year instead of once a year. In 2015, so far, we scored a 7,3 on a scale from 1 to 10, where 10 is the best.

Besides this survey yearly job control meetings and a review session are organized for every employee where we give our employees the opportunity to address issues. These are also powerful tools for HR to monitor how an employee is doing. Employees can always make an appointment besides these fixed formal moments of contact.

The HR manager reports to the MT in the MT meeting about ongoing HR issues biweekly. He also writes up these issues in an HR report.

Our work / employee council writes a yearly report.

ENVIRONMENTAL principles

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
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Assesment, Policy and goals

Ximedes values the environment and tries to have as little impact as possible on the environment. We try to do this by creating awareness amongst our employees and by providing them with tools. Our policy regarding the environment is written in our code of conduct.

Ximedes is housed in an environmentally friendly building.

Our Work/Employee council has regular meetings with the management team. They can give suggestions about improvements that can be made to improve our behavior regarding the environment.

In 2015 we moved towards more synergy between both companies Magna Carta and Chess iX into Ximedes.

Implementation

Ximedes implements the following actions:

- we choose the most sustainable solutions for mobility, starting by reducing the number of lease cars and only allowing employees to choose A rated label cars, hybrid or electric cars
- next to our office three double charging stations for max 6 electrical cars are placed
- we install only energy saving laptops and computerscreens, 75% of our computer hardware is energy saving
- we encourage employees to recycle
- we are supplied with green electric power
- we have equipped all rooms with sensors that activate the lights when someone is near and turn off when nobody is in the room
- we use as many energy saving lamps as possible
- we are housed in a building that uses hot and cold storage to save energy for heating and cooling the building. This results in a 40 - 80% save
- we recycle old PC's and printers
- we use green datacenters for hosting
- our billing process is digitalized to save paper
- we use fair trade coffee in a biodegradable bag
- all waste is collected separately
- we encourage video conferencing instead of traveling to partners and clients
- server virtualization is applied

All old own cars of Magna Carta are replaced by modern energy saving cars.

Measurement of outcomes

The HR manager reports regularly on progress on mobility, housing and facilities. We have brought down the number of company cars. We also do not offer a company car to new employees who apply for a position which does not require often travel.

Our work / employee council writes a yearly report.

ANTI-CORRUPTION principles

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery;

Assesment, Policy and goals

Currently there are no written guidelines for employees on how to act in case of bribery or extortion. We haven't yet come across situations that might have corruption risk. We are however very keen on not working together with corrupted parties.

Ximedes prohibits the offering, the giving, the solicitation or the acceptance of any bribe, whether cash or other inducement to or from any person or company by any individual employee, in order to gain any commercial, contractual or personal advantage.

We have a no cash policy. All payments are done by bank transfers.

Our Work/Employee council has regular meetings with the management team. During these meetings issues regarding anti-corruption can be reported or discussed.

Our Financial statement and corresponding processes and policies are independently audited by Ernst & Young accountants resulting in a Financial statement report. (see <http://www.ey.com/>).

Implementation

Ximedes is very supportive of an anti-corruption policy.

We win bids for new assignments because of our knowledge in the market, quality and price. We do not accept bribes. Our actions are completely transparent.

There is an active bid/no bid process in which we decide to bring out offers. In that process we also assess the client from an ethic point of view.

Measurement of outcomes

There have been no cases of corruption in the line of work over the course of the organization's existence. If such a situation might arise, Ximedes will take appropriate action and ultimately withdraw from the assignment. The situation will be evaluated afterwards.

Our work / employee council writes a yearly report.

The HR manager reports to the MT in the MT meeting about ongoing HR issues biweekly. He also writes up these issues in an HR report.

Our yearly company statement report 2014 got an approved status from Ernst & Young accountants and is in summary published and fully available on request.