

People and corporate responsibility

We place enormous importance on attracting and retaining quality people and we take our commitment to the wider community very seriously.

People

We employ more than 6,000 people around the world. We are a product-led Company and the core competence of our employees is in developing and delivering software products and solutions for customers in healthcare and banking. Nearly 40% of our people are employed in product development and many have been with Misys for more than 10 years. People at Misys are very proud of the products they create, sell and service and of their market knowledge and that enthusiasm, commitment and expertise is a competitive differentiator for us.

Peak performance

In 2004, Misys introduced the Peak Performance Organisation ('PPO') concept. Over the last two years employees from across the Group have used the PPO approach to identify common characteristics, develop a set of shared beliefs and establish a common purpose across our core business areas. Peak Performance is about achieving and sustaining success as a business through working in a more cohesive way. We now have a very clear purpose and sense of direction and PPO has helped us to develop useful signposts for all employees to follow. We have also defined a goal which encapsulates a set of key performance indicators for the Company. These are to lead the software industry in our chosen markets in terms of customer satisfaction, growth and Total Shareholder Return.

Employee engagement

The PPO programme has demonstrated how much our employees feel committed to the business and how they want to be involved going forward. The ability of management to respond to the needs and suggestions of employees and for employees to be engaged in the way the Company plans its future, is very important. We have conducted employee engagement surveys within our individual businesses to identify employee views on key issues. These have shown that we have more to do in order to further enhance engagement and our communications. Employees' ideas about how we can improve the business are important to us and so such surveys are a meaningful tool. We continuously look for ways to increase employee engagement and will act upon the findings of surveys, in consultation with our employees. In the new financial year we intend to carry out our first Group-wide employee survey which will give us a clear benchmark from which to move forward.

We place great importance on the quality and regularity of the Company's communications with employees. Over the last 12 months we have increased our internal communications activities at all levels within the Group to communicate information about changes in our business and their market context, to explain business strategy and priorities and to elicit employee input. We regularly hold formal and informal employee briefings as well as management and sales conferences to update and obtain feedback from employees on all aspects of the business as well as making use of Company email,



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webcasts and Intranet sites to provide information, news and interviews with management. During the year we also launched *PEAK, our first quarterly Group-wide publication for all employees, which encourages employees to provide 'success stories' about Misys for wider promotion around the Group. We regard communications with employees, as with all key stakeholders, as a two-way process and we welcome and act on feedback.

We are also committed to encouraging employee share ownership. For many years we have operated tax efficient savings-related share option plans (sharesave plans) for all eligible UK employees and for overseas employees in jurisdictions where it is practicable to do so. Cash-based phantom share option plans, which operate in a similar manner to sharesave plans, are offered where local regulations mean such schemes are not practicable. Employees are also frequently provided with information about benefits such as pensions.

Employment policies

Misys respects the human rights of all employees and is committed to the principles of equal opportunity in all employment practices, policies and procedures. We treat all employees and job applicants fairly and on merit regardless of gender, sexual orientation, age, race, nationality, physical ability, political beliefs or religion. We seek to attract the ablest candidates from the widest pool of relevant talent. We do not tolerate harassment or discrimination of any kind.

People with disabilities are given the same consideration as others when applying for jobs. Where employees become disabled, every effort will be made to retain them in their current role or to explore possibilities for retraining or redeployment within the Group.

Development of key technical skills

The quality of our employees has a direct effect on the quality of our products, our relationships with customers and – ultimately – our financial performance. Wherever we operate we ensure our people get access to the training and development they need to remain at the cutting edge of technology.

We have made very strong progress with training and development of our people in our development centres around the world and we have had development capability in certain countries for more than 15 years. We are very much an international Company and our approach to offshoring has always focused on quality and efficiency rather than just cost management. Today, the employees in our Manila and Bangalore centres of excellence are some of the most experienced, knowledgeable and skilled in the Company and are critical to our competitiveness.

Competition for the best talent is tough in these areas and we are investing in substantial recruitment campaigns. Excellent graduates are particularly important to our future and we are rolling out a new graduate recruitment

programme in our Manila and Bangalore development centres.

We aim to recruit 15 graduates in each location, with the focus on creating a pipeline of technical talent. Through the graduate programme we are establishing relationships with local universities where students are gaining technical skills closely related to the capabilities we need now and in the future. The programme will create a pool of home-grown Misys talent, skilled in the programming languages vital to our business. After the 12 month programme our graduates will have a clear understanding of the Misys culture, our direction and how they can contribute.

Governance

Our approach to corporate governance matters is described in the Corporate governance report on pages 44 to 47. Misys is very mindful of its role, impact and responsibilities in the communities it operates in as well as the wider global community.

Code of Ethics

We believe it is essential that Misys, our employees, advisers and agents meet a high ethical standard wherever we operate. Ethical conduct promotes trust and encourages collaboration and we are committed to conducting business with integrity. We have a clear Code of Ethics, a Whistleblowing Policy and reporting mechanisms – enabling all employees to

300 employees in Raleigh, US, were involved in organising and taking part in the local Triangle Race in support of breast cancer research



report concerns to their line manager, through the legal or HR department, or to a Board member.

Our Code of Ethics and Whistleblowing Policy are published on www.misys.com.

Environment, health and safety

Misys is committed to developing and maintaining sound environmental, health and safety standards across all operations. We depend on the hard work, commitment and trust of our employees. We recognise our legal responsibilities to employees, subcontractors and visitors to Misys premises and we seek to ensure their safety and well being in the work place. We also recognise our commitments to the wider community with regard to environmental performance and always seek to reduce any impacts our operations may have.

For the first time we are evaluating our environmental, health and safety performance across every one of our businesses and locations. Our aim for the medium term is to develop clear and consistent environmental reporting throughout the Company, with environmental factors included in all key operational decision making.

In 2004 an external international consultancy undertook an environmental, health and safety audit of key Misys sites in the United Kingdom, United States and India and reported to the Board, concluding that those key sites were substantially compliant with all relevant legislation. In 2005/06 we extended the scope of the audit to include Misys locations in Hong Kong, Manila and Singapore. The findings are due to be reported to the Board in the current year.

Established in March 2005, our Environmental, Health and Safety Working Group supports the Board in meeting its legal obligations in respect of employee health, safety and welfare at work and environmental issues. The group works to identify risks and process improvements, and to ensure critical improvements are delivered Company-wide. It is sponsored by the Finance Director, chaired by the Company Secretary and its members consist of key facilities managers from around the business. The group met four times between 1 June 2005 and 31 May 2006 and met twice in the previous year.

Objectives of the Environmental, Health and Safety Working Group

- Formulate and establish a formal management structure to ensure the implementation of Environmental, Health & Safety ('EH&S') issues

- Formulate and establish an effective monitoring and evaluation procedure
- Formulate and establish a procedure to determine and gather baseline data in respect of EH&S performance, including objective and target setting for the Group
- Formulate and establish an effective compliance programme
- Review and produce an up-to-date EH&S policy/policies for the Group
- Establish a training matrix and outline minimum training requirements for the Group on EH&S matters

In 2005/06 the Group made good progress against these objectives.

FTSE4Good

Misys is a constituent member of the FTSE4Good Index. Created by the independent financial index company FTSE Group, the index identifies and facilitates investment in companies that meet globally recognised corporate responsibility standards. Companies in the FTSE4Good Index Series are doing more to manage their social, ethical and environmental impacts and are better positioned to capitalise on the benefits of responsible business practice.



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Misys and the community

Misys' main community contribution is through the involvement of many of its employees in a wide variety of charitable activities and through the Misys Charitable Foundation.

The Misys Charitable Foundation

The Misys Charitable Foundation was established in 1997 to help improve education in information and communications technology ('ICT') world-wide. It is 100% funded by Misys plc but is run independently of the Company. The Company provided a further £100,000 funding to the Foundation in 2005/06, in line with our commitment to donate at least £100,000 each year for five years from 2003 onwards. In 2004/05 the Company donated £124,453 to the Foundation.

The Foundation provides three types of support:

- Scholarships provided through educational institutions to enable exceptional students in financial need to undertake undergraduate and postgraduate studies in ICT-related disciplines.

- Purchase of ICT equipment through grants given to educational institutions, notably primary schools with limited funds.
- General grants to support special projects where there is a broader contribution towards ICT education.

In total, the Misys Foundation has funded 267 students at university from 1998 through to 2007, with 65 of these scholarships awarded this year. The Foundation has donated more than £1m since it was established and in 2005/06 gave £170,000 of funding to scholarships.

A further £67,500 of funding was given to nine schools this year, five of which were nominated for support by Misys employees. The Foundation encourages the Company's employees to nominate schools for such support. Support was also given to Voluntary Service Organisation ('VSO') for the provision of funding for a teacher from the United Kingdom to develop the IT curriculum in secondary schools in Ethiopia. In addition, redundant IT hardware from Misys was donated to Digital Links International, a charity that arranges the refurbishment and dispatch of equipment to needy schools in Africa. The Foundation also covered the transport and training costs involved. During the year the Foundation gave further donations of £500 to a number of causes.

Other community involvement

In addition to its support for the Misys Foundation, the Company donates to many other charities and causes, and supports employee giving and involvement. This year, for example:

- During the year the Company donated US\$20,000 to the Hurricane Katrina appeal fund. Misys employees raised a further US\$66,583 for the fund.
- The Company will re-launch its 'Give As You Earn' scheme in the United Kingdom during 2006, and will make funds of up to £100,000 in total available for matched giving to specified charities designated by the Company.
- 300 employees in our Healthcare business in Raleigh, United States, were involved in organising and taking part in the local Triangle Race, in support of breast cancer research.
- 200 employees in Raleigh and 50 employees in Richmond, United States, provided community support during the holiday season, helping needy families with clothing, personal items, toys.