



Code of Conduct

Ethics

Astea and each of its employees, officers and directors (collectively referred to as “associates”), wherever they may be located, must conduct their affairs with uncompromising honesty and integrity. Business ethics are no different than personal ethics. The same high standards apply to both. As an Astea associate you are required to adhere to the highest ethical standards regardless of local custom.

Associates are expected to be honest and ethical in dealing with each other, with clients, vendors and all other third parties. Doing the right thing means doing it right every time.

You must also respect the rights of your fellow associates and third parties. Your actions must be free from discrimination, libel, slander and harassment. Each person must be accorded equal opportunity, regardless of age, race, sex, sexual orientation, color, creed, religion, national origin, marital status, veteran's status, handicap or disability.

Misconduct will not be excused because it was directed or requested by another. In this regard, you are expected to alert management whenever an illegal, dishonest or unethical act is discovered or suspected. You will never be penalized for reporting your discoveries or suspicions.

Astea conducts its affairs consistent with all applicable laws and regulations where it conducts business. Business practices, customs and laws differ from country to country. When conflicts arise between Astea’s ethical practices, and the practices, customs, and local laws of a country, Astea seeks to resolve them in a manner consistent with its ethical beliefs. If the conflict cannot be resolved consistent with its ethical beliefs, Astea will not proceed with the proposed action giving rise to the conflict. These ethical standards reflect who we are and are the standards by which we choose to be judged.

The following statements concern frequently raised ethical concerns. A violation of the standards contained in this Code of Conduct will result in corrective action, including possible dismissal.

Conflicts of Interest

You must avoid any personal activity, investment or association that could appear to interfere with good judgment concerning Astea’s best interests. You may not exploit your position or relationship with Astea for personal gain. You should avoid even the appearance of such a conflict. For example, there is a likely conflict of interest if you:

- cause Astea to engage in business transactions with relatives or friends;
- use nonpublic Astea, client or vendor information for personal gain by you, relatives or friends (including securities transactions based on such information);
- have more than a modest financial interest in Astea’s vendors, clients or competitors;
- receive a loan, or guarantee of obligations, from Astea or a third party as a result of your position at Astea; or
- compete, or prepare to compete, with Astea while still employed by Astea.

There are other situations in which a conflict of interest may arise. If you have concerns about any situation, follow the steps outlined in the Section on "Reporting Violations."

Gifts, Bribes and Kickbacks

Other than for modest gifts given or received in the normal course of business (including travel, meals and entertainment), neither you nor your relatives may give gifts to, or receive gifts from, Astea’s clients and vendors. Other gifts may be given or accepted only with prior approval of your senior management. In no event should you put Astea or yourself in a position that would be embarrassing if the gift was made public.



Dealing with government employees is often different than dealing with private persons. Many governmental bodies strictly prohibit the receipt of any gratuities by their employees, including meals and entertainment. You must be aware of and strictly follow these prohibitions.

Any associate who pays or receives bribes or kickbacks will be immediately terminated and reported, as warranted, to the appropriate authorities. A kickback or bribe includes any item intended to improperly obtain favorable treatment.

Loans

You may not request or accept a loan or payroll advance from Astea.

Improper Use or Theft of Astea Property

Every associate must safeguard Astea property from loss or theft, and may not take such property for personal use. Astea property includes confidential information, software, computers, office equipment, and supplies. You must appropriately secure all Astea property within your control to prevent its loss, damage or unauthorized use. Use of Astea's electronic communications systems must conform with Astea's Electronic Communications Systems Policy which, among other things, precludes using such systems to access or post material that: is pornographic, obscene, sexually-related, profane or otherwise offensive; is intimidating or hostile; or violates Astea's policies or any laws or regulations. Associates may make limited non-business use of Astea's electronic communications systems, provided that such use: (i) is occasional; (ii) does not interfere with the associate's professional responsibilities; (iii) does not diminish productivity; and (iv) does not violate this Code of Conduct or Astea's Electronic Communications Systems Policy.

Covering Up Mistakes; Falsifying Records

Mistakes should never be covered up, but should be immediately and fully disclosed to your supervisor and corrected, if possible. Falsification of any Astea, client or third party record is prohibited and subject to disciplinary action.

Protection of Astea, Client or Vendor Information

You may not use or disclose Astea, client or vendor confidential or proprietary information to others. Additionally, you must take appropriate steps — including securing documents, limiting access to computers and electronic media, and proper disposal methods — to prevent unauthorized access to such information. Proprietary and/or confidential information, among other things, includes: business methods, pricing and marketing data, strategy, computer code, screens, forms, experimental research, information about, or received from, Astea's current, former and prospective clients, vendors and associates.

Gathering Competitive Information

You may not accept, use or disclose the confidential information of our competitors. When obtaining competitive information, you must not violate our competitors' rights. Particular care must be taken when dealing with competitors' clients, ex-clients and ex-employees. Never ask for confidential or proprietary information. Never ask a person to violate a non-compete or non-disclosure agreement. If you are uncertain, Astea's General Counsel can assist you.

Use of Astea and Third Party Software

Astea and third party software may be distributed and disclosed only to associates authorized to use it, and to clients in accordance with terms of an Astea client agreement. Astea and third party software may not be copied without specific authorization and may only be used to perform assigned responsibilities.

All third-party software must be properly licensed. The license agreements for such third party software may place various restrictions on the disclosure, use and copying of software.

Developing Software

Associates involved in the design, development, testing, modification or maintenance of Astea software must not tarnish or undermine the legitimacy and "cleanliness" of Astea's products by copying or using unauthorized third



party software or confidential information. You may not possess, use or discuss proprietary computer code, output, documentation or trade secrets of a non-Astea party, unless authorized by such party. Intentional duplication or emulation of the "look and feel" of others' software is not permissible.

Fair Dealing

No Astea associate should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice. Do not make unsupportable promises concerning Astea's products.

Fair Competition and Antitrust Laws

Astea must comply with all applicable fair competition and antitrust laws. These laws attempt to ensure that businesses compete fairly and honestly and prohibit conduct seeking to reduce or restrain competition. If you are uncertain whether a contemplated action raises unfair competition or antitrust issues, Astea's General Counsel can assist you.

Securities Trading

It is usually illegal to buy or sell any securities using material information that is not available to the general public. Persons who give such undisclosed "inside" information to others may be as liable as persons who trade securities while possessing such information. Securities laws may be violated if you, or any relatives or friends trade in securities of Astea, or any of its clients or vendors, while possessing "inside" information. If you are uncertain, the Astea's General Counsel can assist you.

Political Contributions

No company funds may be given directly to political candidates. You may, however, engage in political activity with your own resources on your own time.

Retention of Business Records

Astea business records must be maintained in a consistent and reliable manner, as specified by the director of each business unit. All employees must comply with directives from the IT department regarding retention policies as well as backup procedures. In no case may documents involved in a pending or threatened litigation, government inquiry or under subpoena or other information request, be discarded or destroyed. In addition, you may never destroy, alter, or conceal, with an improper purpose, any record or otherwise impede any official proceeding, either personally, in conjunction with, or by attempting to influence, another person.

Waivers

This Code of Conduct applies to all Astea employees and officers as well as Astea's Board of Directors. There shall be no waiver of any part of the Code of Conduct, except by a vote of the Board of Directors or a designated committee, which will ascertain whether a waiver is appropriate and ensure that the waiver is accompanied by appropriate controls designed to protect Astea.

In the event that any waiver is granted, the waiver will be posted on Astea's website (and may be required to be disclosed in a filing with the Securities and Exchange Commission), thereby allowing Astea shareholders to evaluate the merits of the particular waiver.

Reporting Violations

Your conduct can reinforce an ethical atmosphere and positively influence the conduct of fellow associates. If you are powerless to stop suspected misconduct or discover it after it has occurred, you must report it to the appropriate level of management at your location.

If you are still concerned after speaking with your local management or feel uncomfortable speaking with them (for whatever reason), you must (anonymously, if you wish) send a detailed note, with relevant documents, to the



General Counsel at Astea International Inc., 240 Gibraltar Road, Suite 300, Horsham, PA 19044 or you may directly contact the Audit Committee of Astea's Board of Directors by sending a detailed note, with relevant documents, addressed to the Audit Committee Chairman and marked confidential, to 240 Gibraltar Road, Suite 300, Horsham, PA 19044. Astea has an anonymous hotline reporting system to further facilitate the airing of any concerns regarding financial or accounting issues. To report a complaint, go to <http://whistleblower.astea.com>. There you will find an anonymous web form and instructions.

Your calls, detailed notes and/or emails will be dealt with confidentially. You have the commitment of Astea and of the Audit Committee of Astea's Board of Directors that you will be protected from retaliation.

WHISTLEBLOWER HOTLINE

Congress passed the Sarbanes Oxley Act of 2002 in response to financial scandals. Section 301 of the Act requires public company Audit Committees to establish procedures for handling whistle-blowing complaints - the confidential, anonymous submission by company employees regarding questionable accounting or auditing matters. Any employee submitting such a complaint is protected under the law from any retaliation based upon the complaint.

Below is a web link to be used to submit a complaint. Should you have any concerns regarding what you believe to be questionable, illegal or unethical auditing or accounting practices, you are encouraged to submit a complaint. Simply type the information in the box below. Please try to include as much detail as required to allow for the investigation of the complaint. This web form strips out all identifying information on the person who has submitted the complaint. It is completely anonymous and confidential. Two copies of the complaint will be immediately distributed. One will go directly to the Chairman of the Audit Committee. The other will go to the General Counsel. Each will investigate the matter promptly, and take whatever corrective actions are required.

We appreciate your assistance in ensuring that Astea continues to meet the highest standards for compliance with financial reporting obligations.

To report a complaint, go to <http://whistleblower.astea.com>.



Conclusion

In the final analysis, you are the guardian of Astea's ethics. While there are no universal rules, when in doubt ask yourself:

- Will my actions be ethical in every respect and fully comply with the law and with Astea policies?
- Will my actions have the appearance of impropriety?
- Will my actions be questioned by my supervisors, associates, clients, family and the general public?
- Am I trying to fool anyone, including myself, as to the propriety of my actions?

If you are uncomfortable with your answer to any of the above, you should not take the contemplated actions without first discussing them with your local management. If you are still uncomfortable, please follow the steps outlined above in the Section on "Reporting Violations."

Any associate who ignores or violates any of Astea's ethical standards, and any manager who penalizes a subordinate for trying to follow these ethical standards, will be subject to corrective action, including immediate dismissal. However, it is not the threat of discipline that should govern your actions. We hope you share our belief that a dedicated commitment to ethical behavior is the right thing to do, is good business, and ensures that Astea continues to build on its high standards for being a world class software company.



Code of Conduct Acknowledgement

I, _____, have received and read a copy of the Code of Conduct which outlines the expectations of Astea International Inc., as well as my responsibilities as an employee.

I have familiarized myself with the contents of this Code of Conduct. By my signature below, I acknowledge, understand, accept and agree to comply with this information.

(Employee Signature)

Date