

## **AMERICAN SOFTWARE, INC.**

### **CODE OF BUSINESS CONDUCT AND ETHICS**

The Board of Directors of American Software, Inc. (with its subsidiaries, the "Company") has adopted this code of business conduct and ethics (the "Code") to:

- promote honest and ethical conduct, including fair dealing and the ethical handling of conflicts of interest;
- promote full, fair, accurate, timely and understandable disclosure;
- promote compliance with applicable laws and governmental rules and regulations;
- ensure the protection of the Company's legitimate business interests, including corporate opportunities, assets and confidential information; and
- deter wrongdoing.

All directors, officers and employees of the Company are expected to be familiar with the Code and to adhere to those principles and procedures set forth in the Code that apply to them.

For purposes of the Code, the "Code of Ethics Contact Person" will be the Chief Financial Officer who will be responsible for administering the Code. Whenever conduct occurs that requires a report to the government, the Code of Ethics Contact Person, under the direction of the Audit Committee, shall be responsible for complying with such reporting requirements.

If any officer or employee does not believe it appropriate or is not comfortable contacting the Code of Ethics Contact Person about a concern or complaint, he or she may contact the Chief Executive Officer or report the matter to the Audit Committee on the Company's hotline reporting system described below. All reports or complaints regarding accounting, internal accounting controls or auditing matters should be made through the hotline and can be reported anonymously.

While the Company prefers that any individual who wishes to make a complaint or report a concern in connection with the Code identify himself or herself in order to assist in understanding the concerns expressed, the Company has created a hotline where employees, officers and directors may anonymously report known or suspected violations via telephone. The toll-free hotline access telephone number in the United States and Canada is 1-877-888-0002. International callers should place a collect call to 770-810-1147 in the United States following the appropriate country-specific collect call procedures. Any person making a report in this manner should be prepared to provide as much detail as possible about the suspected violation, including the individuals involved, the nature of the violation, and any other information which may be helpful in the Company's evaluation and, if necessary, investigation of the report. All letters or transcripts of telephone calls will be kept in confidence and acted upon

only by designated personnel, unless disclosure is required or deemed advisable in connection with any investigation or report of the matter.

## **I. Honest and Candid Conduct**

Each director, officer and employee owes a duty to the Company to act with integrity. Integrity requires, among other things, being honest and candid. Deceit and subordination of principle are inconsistent with integrity.

Each director, officer and employee must:

- Act with integrity, including being honest and candid while still maintaining the confidentiality of information where required or consistent with the Company's policies.
- Observe both the form and spirit of laws and governmental rules and regulations, accounting standards and Company policies.
- Adhere to a high standard of business ethics.

## **II. Conflicts of Interest**

A "conflict of interest" occurs when an individual's private interest interferes or appears to interfere with the interests of the Company. A conflict of interest can arise when a director, officer or employee takes actions or has interests that may make it difficult to perform his or her Company work objectively and effectively. For example, a conflict of interest would arise if a director, officer or employee, or a member of his or her family, receives improper personal benefits as a result of his or her position in the Company. Any transaction or relationship that could reasonably be expected to create a conflict of interest should be discussed with the Code of Ethics Contact Person.

Service to the Company should never be subordinated to personal gain and advantage. Conflicts of interest should, wherever possible, be avoided.

In particular, clear conflict of interest situations involving directors, executive officers and other employees who occupy supervisory positions or who have discretionary authority in dealing with any third party specified below may include the following:

- any significant ownership interest in any supplier;
- any consulting or employment relationship with any supplier or competitor;
- any outside business activity that detracts from an individual's ability to devote appropriate time and attention to his or her responsibilities with the Company;
- the receipt of gifts (except for gifts of nominal value) or excessive entertainment from any company with which the Company has current or prospective business dealings; and

- selling anything to the Company or buying anything from the Company, except on the same terms and conditions as comparable directors, officers or employees are permitted to so purchase or sell.

Such situations should always be discussed with the Code of Ethics Contact Person.

Anything that would present a conflict for a director, officer or employee would likely also present a conflict if it is related to a member of his or her family.

### **III. Disclosure**

Each director, officer or employee involved in the Company's disclosure process, including the Chief Executive Officer, the Chief Financial Officer and the Chief Accounting Officer (the "Senior Financial Officers"), is required to be familiar with and comply with the Company's disclosure controls and procedures and internal control over financial reporting, to the extent relevant to his or her area of responsibility. The purpose of this requirement is to ensure that the Company's public reports and documents filed with the Securities and Exchange Commission ("SEC") comply in all material respects with the applicable federal securities laws and SEC rules. In addition, each person having direct or supervisory authority regarding SEC filings or the Company's other public communications concerning its general business, results, financial condition and prospects should, to the extent appropriate within his or her area of responsibility, consult with other Company officers and employees and take other appropriate steps regarding these disclosures with the goal of making full, fair, accurate, timely and understandable disclosure.

Each director, officer or employee who is involved in the Company's disclosure process, including without limitation the Senior Financial Officers, must:

- Familiarize himself or herself with the disclosure requirements applicable to the Company as well as the business and financial operations of the Company.
- Not knowingly misrepresent, or cause others to misrepresent, facts about the Company to others, whether within or outside the Company, including to the Company's independent auditors, governmental regulators and self-regulatory organizations.
- Properly review and critically analyze proposed disclosure for accuracy and completeness (or, where appropriate, delegate this task to others).

### **IV. Compliance**

It is the Company's policy to comply with all applicable laws, rules and regulations. It is the personal responsibility of each employee, officer and director to adhere to the standards and restrictions imposed by those laws, rules and regulations.

It is against Company policy and in many circumstances illegal for a director, officer or employee to profit from nonpublic information relating to the Company or any other company. No director, officer or employee may purchase or sell any of the Company's securities while in possession of material nonpublic information relating to the

Company. Also, no director, officer or employee may purchase or sell securities of any other company while in possession of any material nonpublic information relating to that company.

The Code sets forth general principles and does not supersede the specific policies and procedures that are covered by the Company's securities trading policy. Any director, officer or employee who is uncertain about the rules involving a purchase or sale of any Company securities or any securities of companies that he or she is familiar with by virtue of his or her work for the Company, should consult with the Chief Financial Officer before making any such purchase or sale.

## **V. Corporate Opportunities**

Directors, officers and employees owe a duty to the Company to advance the Company's business interests when the opportunity to do so arises. Directors, officers and employees are prohibited from taking (or directing to a third party) a business opportunity that is discovered through the use of Company property, information or position, unless the Company has already been offered the opportunity and turned it down. More generally, directors, officers and employees are prohibited from using Company property, information or position for personal gain and from competing with the Company.

Sometimes the line between personal and Company benefits is difficult to draw, and sometimes there are both personal and Company benefits in certain activities. Directors, officers and employees who intend to make use of Company property or services in a manner not solely for the benefit of the Company should consult beforehand with the Code of Ethics Contact Person or the Audit Committee, as appropriate.

## **VI. Confidentiality**

In carrying out the Company's business, directors, officers and employees often learn confidential or proprietary information about the Company, its customers, suppliers or joint venture parties. Directors, officers and employees must maintain the confidentiality of all information so entrusted to them, except when disclosure is authorized or legally mandated. Confidential or proprietary information of the Company, and of other companies, includes any non-public information that would be harmful to the relevant company or useful or helpful to competitors if disclosed.

## **VII. Fair Dealing**

We do not seek competitive advantages through illegal or unethical business practices. Each director, officer and employee should endeavor to deal fairly with the Company's customers, service providers, suppliers, competitors and employees. No director, officer or employee should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any unfair dealing practice.

### **VIII. Protection and Proper Use of Company Assets**

All directors, officers and employees should protect the Company's assets and ensure their efficient use. All Company assets should be used only for the legitimate business purposes of the Company.

### **IX. Investigation and Accountability**

The Audit Committee is responsible for applying the Code to specific situations in which questions are presented to it and has the authority to interpret the Code in any particular situation. Any director, officer or employee who becomes aware of any existing or potential violation of the Code is required to notify the Code of Ethics Contact Person, the Chief Executive Officer or the Audit Committee, as appropriate. Failure to do so is itself a violation of the Code.

Any questions relating to how the Code should be interpreted or applied should be addressed to the Code of Ethics Contact Person. A director, officer or employee who is unsure of whether a situation violates the Code should discuss the situation with the Code of Ethics Contact Person, the Chief Executive Officer or the Chairman of the Audit Committee, as appropriate, to prevent possible misunderstandings and embarrassment at a later date.

No director, officer or employee may retaliate against any other director, officer or employee for reporting potential violations that are made in good faith.

The following procedures will be followed in investigating reported violations and enforcing the Code, and in reporting under the Code:

- All complaints concerning accounting, internal accounting controls and auditing matters should be reported to and investigated by the Audit Committee.
- All other violations and potential violations will be reported by the Code of Ethics Contact Person (or the Chief Executive Officer or Chairman of the Audit Committee, as appropriate) to the Audit Committee in the case of a violation by a director or officer, or to the Chief Executive Officer in the case of a violation by any other employee, after appropriate investigation.
- The Audit Committee and the Chief Executive Officer will take all appropriate action to investigate any violations reported to them.
- If the Audit Committee determines that a violation has occurred, they will inform the Board of Directors.
- Upon determining that a violation has occurred, the Board of Directors or the Chief Executive Officer, as appropriate, will take such disciplinary or preventive action as they deem appropriate, up to and including dismissal or, in the event of criminal or other serious violations of law, notification of appropriate governmental authorities.

**X. Publication of the Code; Amendments and Waivers**

- The Code will be posted and maintained on the Company's website and such posting will be disclosed in the Company's Annual Report on Form 10-K.
- The Annual Report on Form 10-K, by reference to the Company's Proxy Statement, if permitted by SEC rules, will also contain a statement that amendments to and waivers of the Code with respect to executive officers and directors will be posted on the Company's website.
- While waivers of the Code are not anticipated, any amendment (other than a technical or non-substantive amendment) to or waiver of the Code with respect to an executive officer or director shall require approval of the Board of Directors. In addition, any such amendment to or waiver of the Code with respect to an executive officer or director:
  - Shall be disclosed within five (5) days of such action on the Company's website for a period of not less than twelve months, or in a filing on Form 8-K with the SEC.
  - Shall be reported in the Company's next periodic report with the SEC if not previously reported on a Form 8-K.
- Records of any disclosures relating to waivers of the Code shall be retained for no less than five years.

Adopted by the Board of Directors on March 18, 2004.

**COMPLIANCE AFFIRMATION FOR  
THE SENIOR FINANCIAL OFFICERS**

**Affirmation of Compliance**

The undersigned certifies that he or she has received and read the above Code of Business Conduct and Ethics and agrees to abide by the policies therein.

\_\_\_\_\_  
(Please sign)

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

Dated: \_\_\_\_\_

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