



Code of Conduct

Introduction

Our mission at Progress Software Corporation and all of its operating companies and subsidiaries (collectively "Progress Software") is to deliver superior software products and services that empower our partners and customers to dramatically improve their development and deployment of quality applications worldwide. Inherent in this desire to lead the application development market are Progress Software's values of:

- Leadership
- Strong financial performance
- Partner and customer focus
- Employee professional growth
- Honesty and integrity
- Excellence

The following set of policies will help you, as a Progress Software employee, make decisions and choices that incorporate both our corporate mission and values into our everyday jobs. It is important that you understand Progress Software's position on basic ethical and legal issues that affect the way we do business globally. Progress Software expects all employees to comply with all applicable local, state, U.S. federal, country and international laws, and act in accordance with both the letter and the spirit of those laws. Employees of Progress Software should let common sense and good judgment be their guide when faced with questions of business conduct, remembering that every employee is responsible for upholding Progress Software's reputation as a fair and ethical business competitor.

Other Policies

In addition to the Code of Conduct policies that follow, Progress Software has other policies that contain provisions related to conduct that all employees should periodically review. The policies are located on the Progress Software intranet under "Corporate Information", "Policies" and are listed below for reference.

- Electronic Communication
- Employee Protection
- Insider Trading Policies
- Sexual Harassment

Compliance with Antitrust Laws

All Progress Software employees are expected to comply with both the letter and spirit of all applicable federal, state and foreign antitrust laws. Most countries have enacted laws designed to encourage and protect free and fair competition. Because antitrust laws are complex and the penalties for violation are severe, when any question about the antitrust laws of a particular country or doubt exists as to the legality of any action or arrangement, the matter should be reviewed with the General Counsel.

Agreements with Competitors

Formal or informal agreements with competitors that seek to limit or restrict competition in some way are often illegal. Unlawful agreements include those which seek to fix or control prices; allocate products, markets or territories; or boycott certain customers or suppliers. To ensure compliance with antitrust law, discussion with competitors regarding any of these potential agreements is a violation of Company policy and will subject the employee to disciplinary action as well as the potential for criminal prosecution.

Agreements with Customers and Partners

Certain understandings between a company and a customer or business partner are also considered anti-competitive and illegal, such as agreements that fix prices for the resale of products. These types of restrictive understandings must not be discussed or agreed to with a customer or Business Partner.

Trade Association Activity

Contact with competitors at trade shows or trade association meetings is unavoidable. However, these contacts are not immune from antitrust law. Consequently, contact with competitors necessitated by these meetings should be as limited as possible and kept strictly to the subjects on the agenda for the meeting. In addition, employee participants in trade associations should consult with the Compliance Officer regarding any proposed association activity that would have a potential effect on competition, such as the development of product standards or industry code of practice.



Confidential Information of Progress Software and Others

The confidential and proprietary information of Progress Software Corporation and all of its operating companies and subsidiaries (collectively "Progress Software") is an important asset in the Company's operations. The unauthorized use or disclosure of confidential and proprietary information is strictly prohibited. For more information on this subject, see the Progress Software Employee Proprietary Information and Confidentiality Agreement.

At times Progress Software's confidential and proprietary information may require disclosure to potential business partners. The potential benefits and risks of disclosure must be reviewed with your manager. If the review with management indicates that disclosure of confidential and proprietary information is necessary, PSC's Legal Department must be contacted to ensure that an appropriate, written nondisclosure agreement has been signed by all parties. The approved, signed nondisclosure agreement must be in place before any disclosure occurs.

Everyone is responsible for ensuring that confidential and proprietary information is protected from theft, damage, unauthorized disclosure or inappropriate use. Such information should always be stored in a safe manner. In addition, each of us is responsible for preventing the accidental disclosure of confidential and proprietary information by remembering that you can be overheard in public places such as airplanes, restaurants and when using mobile communication devices.

No financial information other than required by statutory-reporting requirements may be disclosed without the prior approval of the Chief Financial Officer or Corporate Controller. All inquiries or calls from the press should be referred to PSC's Director of Analyst Relations and all financial analyst calls referred to the Chief Financial Officer. Requests from customers or the public to provide financial information regarding Progress Software must be reviewed with the Chief Financial Officer.

Progress Software also respects the rights of other companies to their proprietary information and requires its employees to fully comply with both the spirit and the letter of U.S. and foreign laws and regulations protecting such rights, including patent, trademark and copyright laws.

Collecting information on Progress Software's competitors from legitimate sources to evaluate the relative merits of their products, services, and marketing methods is proper and often necessary. However, there are limits to the ways information should be acquired. Practices such as industrial espionage and stealing are wrong and illegal. Seeking confidential information from a new employee who recently worked for a competitor, and misrepresenting your identity in the hopes of getting confidential information from a competitor is also prohibited by Company policy. Any form of questionable intelligence gathering is strictly against Company policy.



Conflict of Interest Policy

Progress Software Corporation and all of its operating companies and subsidiaries (collectively "Progress Software") expect all employees to conduct their business activities ethically and with Progress Software's best interests in mind, and not allow themselves to be put in a position where their judgment can be influenced. Employees should be sensitive to situations which create the potential for/or appearance of conflicts between personal interests and Progress Software's interests. The following guidelines have been established to define when conflicts may exist and the procedures required.

A conflict of interest generally occurs when a family relationship, substantial financial or personal interest, or any activity performed outside of Progress Software might influence a business decision made on behalf of Progress Software, results in the misuse of company assets or negatively impacts Progress Software's business. Although it is not possible to define every instance under which a conflict of interest may arise, the Policy provides guidance in the areas which most likely may result in conflicts. All employees are expected to comply with the spirit of the Policy regardless of whether a potential conflict is specifically addressed in this document.

Outside Interests and Employment

All employees should avoid engaging in any outside business interest or additional employment which would impair their ability to satisfactorily carry out their responsibilities at Progress Software. A substantial business interest in a competitor of Progress Software, or provision of service, assistance, or employment at a competitor while one is employed by Progress Software is prohibited. Employment, provision of service, assistance, or substantial business interest in a customer or supplier is prohibited unless prior approval has been obtained from the Corporate Compliance Officer.

Dealings with Customers and Vendors

Employees must deal with customers, vendors and others doing business with Progress Software in a manner that avoids even the appearance of a conflict of interest. Goods or services should be selected based upon price, quality, availability and Progress Software's needs. Competitive bids should be obtained for significant expenditures.

In the software and other industries the exchanging of gifts and entertainment with customers and suppliers is an acceptable part of doing business. However, this practice must be handled carefully and responsibly to avoid any conflict of interest. Progress Software prohibits employees from accepting or offering money, loans or other special treatment in dealings with vendors, customers or competitors. In addition, Progress Software employees should never solicit gifts or special treatment from suppliers or customers. This policy also applies to potential customers or vendors. Gifts and forms of entertainment may be accepted and offered when based on a clear business purpose and when the value is no greater than what is

customarily expended as a business expense. Excessive entertainment is not permitted. In general, gifts and entertainment should:

- have a clear business purpose and be consistent with accepted business practice;
- comply with applicable laws and ethical standards;
- be moderate; and
- not place Progress Software under any obligation to an individual or company doing business or attempting to do business with Progress Software.

It should be noted that additional restrictions may apply when dealing with government employees. For additional information refer to the “Foreign Corrupt Practices Act” section of the International Business policy.

Any inappropriate gifts, money, or special treatment offered to an employee should not be accepted. If an employee becomes aware of an offering of an inappropriate gift or favorable treatment, the employee should report the incident to his or her manager or the Corporate Compliance Officer.

Investments

Any direct or indirect investment in one of Progress Software’s competitors, customers, suppliers, or partners creates potential conflict of interest and, with respect to any of these entities which are publicly traded, the potential for insider trading violations. If an employee has decision making responsibilities or significant influence over any transactions with a business that is a competitor, customer, supplier, or partner of Progress Software, then the employee is required to disclose all pertinent facts regarding their investment in such business. Disclosure must be made to the employee’s manager and the General Counsel. The terms and conditions of the proposed transaction and any material change to the relationship between Progress Software and the business require approval by a level of management that does not have a direct or indirect financial interest in the business, and further approval by the Corporate Compliance Officer.

For additional information on insider trading violations, refer to Progress Software’s insider trading policies. The insider trading policies can be accessed on Progress Software’s intranet under the StockAid site.

Family Matters

In general, transactions involving the purchase of goods or services between Progress Software and a family member* of an employee, or an entity controlled by a family member* should be avoided. In instances where it can be documented that a transaction with a family member* or related entity offers a price or service superior to other competitors, the dealing should be disclosed in writing to the next level of management and the Corporate Compliance Officer for approval prior to entering into the transaction. The determination of whether a superior price, service or product exists must include documentation of a competitive bidding process.

Employees should not supervise or be in a position to influence the salary or conditions of employment of a family member*.

*“Family member” includes spouse, parents, children, brothers, sisters, mothers -and fathers-in-law, sons- and daughters-in law, brothers- and sisters-in-law, aunts, uncles, cousins, domestic partners or any person living in the same home with the employee.

Disclosure

All employees are required to promptly disclose to his or her manager any situation that may represent a conflict of interest. If there is any uncertainty whether a specific dealing may constitute a conflict of interest, employees are encouraged to discuss the dealing with their manager, human resources representative or the Corporate Compliance Officer.



Questionable or Improper Payments

Progress Software Corporation and all of its operating companies and subsidiaries (collectively "Progress Software") prohibit the use of bribes, kickbacks or other improper payments made directly or indirectly, to any individual or organization, including government officials, political parties, partners, and distributors. The acceptance by an employee of any form of bribe or kickback is also prohibited. For information on gifts, refer to the "Dealings with Customers and Vendors" section of the Conflict of Interest Policy. For additional information on payments refer to the "Foreign Corrupt Practices Act" section of the International Business policy.

The Company policy against improper payments applies everywhere Progress Software conducts business.

Accuracy of Books and Records

Accurate and complete books and records are essential for Progress Software's operations and allow Progress Software to meet its obligations to shareholders, management, employees, partners, customers, and various governmental agencies. Progress Software records include contracts, customer orders, invoices, shipping documents, employee information, payroll records, financial system information and various forms of other essential data. This policy applies to **all** Progress Software employees including individuals negotiating and authorizing sales orders and contracts, submitting expense reports, or preparing and authorizing payments.

Progress Software is committed to maintaining an internal control system sufficient to provide timely and accurate recording and reporting of financial information. Officers, directors and managers of Progress Software and its affiliated companies are responsible for developing and maintaining an adequate system of internal controls within their departments, organizations and subsidiaries.

Financial statements must present fairly Progress Software's financial condition and results of operations. Therefore, the books, financial records and supporting data must completely and accurately describe all transactions of Progress Software without the omission, concealment, or falsification of any information. No undisclosed or unrecorded fund or assets should be established for any purpose. Payments without appropriate supporting documentation and approval are prohibited.

Any transaction, payment, or entry that is known to violate these standards must be disclosed immediately to the Compliance Officer.



International Business

Progress Software Corporation and all of its operating companies and subsidiaries (collectively "Progress Software") sell products and services worldwide to partners and end users, including governments. The United States has certain laws relating to international business of which **all** Progress Software employees worldwide must be aware.

Foreign Corrupt Practices Act

Progress Software is required to comply with the Foreign Corrupt Practices Act (FCPA), a federal law of the United States. The FCPA prohibits the making of payments to influence a foreign official's action or decision in order to obtain or retain business. It is the policy of Progress Software to comply with the FCPA and all local laws relating to government payments. Therefore, no employee or agent of Progress Software shall directly or indirectly pay, give or offer money or anything of value to any foreign government or government agency official, employee or representative, or to any foreign political party or candidate for a foreign political office in order to improperly influence any act or decision of such party, official or candidate in order to obtain, retain or direct any business.

The FCPA also contains provisions requiring companies to keep books and records that accurately reflect all transactions. The FCPA prohibits the direct or indirect falsification of any record, account or financial statement. This provision applies to all records, accounts, and financial statements of Progress Software. Additional information is located in the "Accuracy of Books and Records" policy.

Export Controls

The United States regulates and licenses the export of products and technologies to foreign countries. Periodically the United States will identify specific countries with which business relationships have been suspended. Many of these suspensions also apply to Progress Software's affiliated companies worldwide. The Export Compliance Manager distributes information regarding countries to which products may not be shipped. The Export Compliance Manager should be contacted regarding any questions concerning export controls.

Anti-Boycott Laws

U.S. companies and their subsidiaries are prohibited from complying with foreign countries' boycotts against countries friendly to the U.S., and from providing information concerning business relationships with boycotted countries. Therefore, Progress Software will not participate in any foreign economic boycott not sanctioned by the U.S. Government, and will not provide information related to business relationships with boycotted countries.

Violation of the FCPA, export control or anti-boycott laws may result in civil and criminal penalties and the loss of export privileges. The Progress Software Legal department should be contacted regarding any questions related to the FCPA or anti-boycott laws. Any employee aware of a violation or potential violation of the FCPA, export or anti-boycott laws should report the information immediately to the Compliance Officer.



Compliance and Reporting of Violations Policy

Compliance with the Code of Conduct, other policies and laws is the responsibility of all employees of Progress Software Corporation and all of its operating companies and subsidiaries (collectively "Progress Software). In addition, a compliance structure has been established which designates the Senior Vice President, Finance and Administration and CFO, as the Compliance Officer with the responsibility for oversight of Progress Software's compliance efforts. Officers of Progress Software are responsible for maintaining the necessary internal controls to effectively monitor compliance within their respective departments.

Questions

Employees with any questions regarding the applicability or interpretation of the Code of Conduct, other policies or laws should address the questions with their manager, human resources representative, General Counsel or the Compliance Officer.

All managers are to maintain an "open door" policy regarding employee questions.

Reporting of Violations

Employees should report any violation or possible violation of the Code of Conduct, other policies or laws promptly to their manager, human resources representative, or the Compliance Officer.

In addition, an independent third party ethics and compliance "Hotline" (referred to as "ALERTLINE") has been established for the reporting of violations. "ALERTLINE" may be accessed in the U.S. by dialing toll-free 1-877-277-3165. If dialing from an international location: 1) Enter the AT&T direct access number for the country you are calling from (each country has its own access number - AT&T access numbers, as well as other useful information regarding international toll-free calling may be found at <http://www.usa.att.com/traveler/index.jsp>). 2) When you hear the voice prompt or series of tone prompts then enter the toll-free "ALERTLINE" number (877-277-3165). Do not press "1" or "0" before entering the toll-free number. 3) The call will be connected to "ALERTLINE".

The ALERTLINE service is available 24 hours a day, seven days a week. All reports by employees will be handled confidentially and sent to the Compliance Officer, Vice President of Human Resources and the Internal Audit Director, for immediate review. Those reports relating to accounting and auditing matters will also be sent to a member of the audit committee for immediate review.

In addition to the ALERTLINE service, the previous method of reporting possible code of conduct violations will continue to exist. This dedicated compliance line may be accessed

through the Progress Software voice mail system at extension 2255 (CALL), by dialing 1-800-999-4599 extension 2255 or + 1-781-280-4599 extension 2255 for international calls. Reports by employees will be handled confidentially.

Written reports can also be sent to the compliance alias (conduct@progress.com) or submitted directly to the Compliance Officer using internal or external mail. The external mailing address is:

Senior Vice President, Finance and Administration and CFO
Progress Software Corporation
14 Oak Park
Bedford, MA 01730
USA

Managers and human resources representatives receiving a report of a violation or suspected violation should immediately advise the Compliance Officer. All reports, including those made anonymously, will be investigated under the direction of the Compliance Officer. A final determination will be made based on the facts and appropriate corrective action will be taken when necessary.

Failure to Comply

All employees are expected to follow Progress Software policies. Failure to comply with laws or company policies may result in disciplinary action, up to and including termination and/or disclosure of evidence to law enforcement officials or other third parties.

Disciplinary action may also be taken for the deliberate failure to report a violation promptly, failure by a manager to detect and report a violation due to lack of appropriate supervision, withholding of relevant information regarding a violation, failure to cooperate in the investigation of a known or suspected violation or taking action against an employee who reports a violation.

**Code of Conduct
Compliance Statement**

I have received and read the Progress Software Code of Conduct.

(Initial)

____ Yes ____ No

I understand the policies contained in the Code of Conduct and that it is my responsibility to adhere to the Code of Conduct.

(Initial)

____ Yes ____ No

I have no other employment or outside interests that create the appearance of, or are a conflict of interest with my position at Progress Software.

(Initial)

____ None ____ See below for details

I am not aware of any situations that are or appear to be, violations of the Code of Conduct.

(Initial)

____ None ____ See below for details

I understand that I should address any questions regarding the Code of Conduct with my manager, the Human Resources Department, Legal Department or Compliance Officer.

(Initial)

____ Yes ____ No

I understand that if my responses to the above statements subsequently become inaccurate or incomplete or otherwise change, I will promptly advise my manager, the Human Resources Department, the Legal Department or the Compliance Officer and I will furnish such supplementary information as may be appropriate.

(Initial)

____ Yes ____ No

I am aware that, ALERTLINE, an independent third party ethics and compliance "Hotline" is available to anonymously report any violation or possible violation of the Code of Conduct, other policies or laws.

(Initial)

____ Yes ____ No

Signature: _____ Printed Name: _____

Date: _____ Location: _____