

CODE OF BUSINESS CONDUCT AND ETHICS

Introduction

Chordiant is committed to maintaining a high standard of business conduct and ethics. This Code of Business Conduct and Ethics reflects the business practices and principles of behavior that support this commitment. We expect every employee and officer to read and understand the Code and its application to the performance of his or her business responsibilities. References in the Code to employees are intended to cover officers, and, as applicable, directors.

The Code cannot possibly describe every practice or principle related to ethical conduct. The Code addresses certain behaviors that are particularly important to proper dealings with the people and entities with whom we interact, but reflects only a part of our commitment. The following policies of Chordiant supplement or amplify the Code in certain areas and should be read in conjunction with the Code: Insider Trading Policy, E-mail/electronic access Policy and Team Member handbook. It is the responsibility of each employee to apply common sense, together with high personal ethical standards, in making business decisions where there is no stated guideline in the Code.

If you would like to ask questions about the Code, voice concerns or clarify uncertain areas, please contact your supervisor or the Compliance Officer, as further described in Section 12 below. The Code does not alter the at-will employment policy of Chordiant which is applicable to all U.S. employees. In addition, you should be alert to possible violations of the Code by others and report suspected violations, without fear of any form of retaliation, as further described in Section 12. Violations of the Code will not be tolerated. Any employee who violates the standards in the Code may be subject to disciplinary action, which may range from a warning to termination of employment and, in appropriate cases, to civil legal action or referral for criminal prosecution.

1. Legal Compliance

Obedying the law, both in letter and in spirit, is the foundation of this Code. If you do have a question in the area of legal compliance, it is important that you not hesitate to seek answers from your supervisor or the Compliance Officer.

Violation of domestic or foreign laws, rules and regulations may subject an individual, as well as Chordiant, to civil and/or criminal penalties. You should be aware that conduct and records, including emails, are subject to internal and external audits, (as further detailed in Chordiant's policy regarding E-mail and electronic resources) and to discovery by third parties in the event of a government investigation or civil litigation.

2. Insider Trading

Employees who have access to confidential (or "inside") information are not permitted to use or share that information for stock trading purposes or for any other purpose except to conduct our business. All non-public information about Chordiant or about companies with which we do business is considered confidential information. To use material non-public

information in connection with buying or selling securities, including “tipping” others who might make an investment decision on the basis of this information, is not only unethical, it is illegal. We have adopted a separate Insider Trading Policy to which you are bound as a condition of your employment here. You should consult the Insider Trading Policy for more specific information on the definition of “material inside information” and on buying and selling our securities or securities of companies with which we do business.

3. International Business Laws

Our employees are expected to comply with the applicable laws in all countries to which they travel and where we do business, including laws prohibiting bribery, corruption or the conduct of business with individuals, companies or countries. The fact that in some countries certain laws are not enforced or that violation of those laws is not subject to public criticism will not be accepted as an excuse for noncompliance. All employees must also comply strictly with U.S. laws, rules and regulations governing the conduct of business by its citizens and corporations outside the U.S. These U.S. laws, rules and regulations, which extend to all our activities outside the U.S., include:

- The Foreign Corrupt Practices Act, which prohibits directly or indirectly giving anything of value to a government official to obtain or retain business or favorable treatment, and requires the maintenance of accurate books of account, with all company transactions being properly recorded;
- U.S. Embargoes, which restrict or, in some cases, prohibit companies, their subsidiaries and their employees from doing business with certain other countries identified on a list that changes periodically (including, for example, Angola (partial), Burma (partial), Cuba, Iran, Iraq, Libya, North Korea, Sudan and Syria) or specific companies or individuals;
- Export Controls, which restrict travel to designated countries or prohibit or restrict the export of goods, services and technology to designated countries, denied persons or denied entities from the U.S., or the re-export of U.S. origin goods from the country of original destination to such designated countries, denied companies or denied entities; and
- Antiboycott Compliance, which prohibits U.S. companies from taking any action that has the effect of furthering or supporting a restrictive trade practice or boycott that is fostered or imposed by a foreign country against a country friendly to the U.S. or against any U.S. person.

If you have a question as to whether an activity is restricted or prohibited, seek assistance before taking any action.

4. Conflicts of Interest

A “conflict of interest” may occur when an individual’s personal interest interferes with the performance of his or her duties and the best interests of Chordiant. A conflicting personal interest could result from an expectation of personal gain for prior obligations, now or in the future. In performance of an employee’s duties, each employee must act in the best interests of Chordiant. Even the appearance of a conflict of interest where none actually exists can be damaging and should be avoided.

If you have any questions about a potential conflict or if you become aware of an actual or potential conflict and you are not an officer of Chordiant, you should discuss the matter with your supervisor or the Compliance Officer. Supervisors may not authorize conflict of interest matters without first seeking the approval of the Compliance Officer. Officers and directors may seek authorization from the Audit Committee. Factors that may be considered in evaluating a potential conflict of interest are, among others:

- any potential adverse or beneficial impact on our business;
- any potential adverse or beneficial impact on our relationships with our customers or suppliers or other service providers;
- whether it would enhance or support a competitor's position;
- the extent to which it would result in financial or other benefit to the employee;
- the extent to which it would appear improper to an outside observer.

Loans to, or guarantees of obligations of, employees or their family members by Chordiant could constitute an improper personal benefit to the recipients of these loans or guarantees, depending on the facts and circumstances. Some loans are expressly prohibited by law. Chordiant requires that our Board of Directors approve any loans guaranteed to employees.

5. Maintenance of Corporate Books and Records; Financial Integrity and Reporting

The integrity of our records and public disclosure depends on the validity, accuracy and completeness of the information supporting the entries to our books of account. The making of false or misleading entries, whether they relate to financial results or test results, is strictly prohibited. It is important that our books, records and accounts accurately and fairly reflect, in reasonable detail, our assets, liabilities, revenues, costs and expenses, as well as all transactions and changes in assets and liabilities. We require that:

- no entry has been or will be made in our books and records that intentionally hides or disguises the nature of any transaction or of any of our liabilities, or misclassifies any transactions as to accounts or accounting periods;
- all transactions are and will be supported by appropriate documentation; predating an agreement, or requesting any person, including a customer, to predate the date of execution of an agreement is prohibited;
- terms of sales transactions be reflected accurately in the documentation for such transactions;
- employees comply with our system of internal controls at all times;
- no cash or other assets have been or will be maintained for any purpose in any unrecorded or "off-the-books" fund; and
- no employee, other than a member of the finance department, may (i) request of a member of the finance department that revenue be recognized by the company, (ii) suggest to a member of the finance department when or whether revenue will be recognized by the company, or (iii) otherwise exert pressure on a member of the finance department to book or recognize revenue to achieve revenue targets; provided that, the supplying of information at the request of the finance department, the audit committee or the independent auditors shall not be deemed a violation of this Code of Business Conduct and Ethics; and provided further

that an employee requesting an understanding from a member of the finance department of the revenue recognition implications of potential or actual transactions with a customer shall not be deemed a violation of this Code of Conduct.

Our accounting records are also relied upon to produce reports for our management, stockholders and creditors, as well as for governmental agencies. We rely upon our accounting and other business and corporate records in preparing the periodic and current reports that we file with the SEC. It is imperative that these reports provide full, fair, accurate, timely and understandable disclosure and that they fairly present our financial condition and results of operations. Employees who collect, provide or analyze information for or otherwise contribute in any way in preparing or verifying these reports should strive to ensure that our financial disclosure is accurate and transparent. In addition:

- no employee may take or authorize any action that would cause our financial records or financial disclosure to fail to comply with generally accepted accounting principles, the rules and regulations of the SEC or other applicable laws, rules and regulations;
- all employees must cooperate fully with our Accounting Department, as well as our independent public accountants and counsel, respond to their questions with candor and provide them with complete and accurate information to help ensure that our books and records, as well as our reports filed with the SEC, are accurate and complete; and
- no employee should knowingly make (or cause or encourage any other person to make) any false or misleading statement in any of our reports filed with the SEC or knowingly omit (or cause or encourage any other person to omit) any information necessary to make the disclosure in any of our reports accurate in all material respects.

Any employee who becomes aware of any departure from these standards has a responsibility to report his or her knowledge promptly to a supervisor, the Compliance Officer or one of the other compliance resources described in Section 12.

6. Gifts and Entertainment

Business entertainment and gifts are meant to create goodwill and sound working relationships and never to gain unfair advantage with customers or facilitate approvals from government officials. Unless express permission is received from a supervisor, the Compliance Officer or the Audit Committee, entertainment and gifts cannot be offered, provided or accepted by any employee or family member of an employee unless consistent with customary business practices and not (a) excessive in value, (b) in cash, (c) susceptible of being construed as a bribe or kickback or (d) in violation of any laws. This principle applies to our transactions everywhere in the world, even where the practice is widely considered “a way of doing business.” Under some statutes, such as the U.S. Foreign Corrupt Practices Act, giving anything of value to a government official to obtain or retain business or favorable treatment is a criminal act subject to prosecution.

7. Antitrust

Antitrust laws are designed to protect the competitive process and generally prohibit:

- agreements, formal or informal, with competitors that harm competition or customers, including price fixing and allocations of customers, territories or contracts;
- agreements, formal or informal, that establish or fix the price at which a customer may resell a product.

Certain kinds of information, such as pricing, production and inventory, should never be exchanged with competitors, regardless of how innocent or casual the exchange may be and regardless of the setting, whether business or social. Understanding the requirements of antitrust and unfair competition laws of the various jurisdictions where we do business can be quite difficult, and you are urged to seek assistance from your supervisor or the Compliance Officer whenever you have a question relating to these laws.

8. Protection and Proper Use of Company Assets

All employees are expected to protect our assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on our profitability. Our property, such as office supplies, computer equipment, buildings and products, are expected to be used for legitimate business purposes, although incidental personal use may be permitted as further detailed in Chordiant's E-mail/electronic access Policy. This policy includes the prohibition of piracy of third party intellectual rights, such as but not limited to the illegal downloading to Chordiant computers of software, music, video/film or other copyrighted works by third parties.

9. Confidentiality

One of our most important assets is our confidential information. Employees who have received or have access to confidential information must take every precaution to keep this information confidential. Confidential information includes business, marketing and service plans, financial information, product architecture, source and object codes, engineering ideas, designs, databases, customer lists, pricing strategies, personnel data, personally identifiable information pertaining to our employees, customers or other individuals (including, for example, names, addresses, telephone numbers and social security numbers), and similar types of information provided to us by our customers, vendors and partners. This information may be protected by patent, trademark, copyright and trade secret laws.

Except when disclosure is authorized or legally mandated, you must not share our or our suppliers' or customers' confidential information with third parties or others within Chordiant who have no legitimate business purpose for receiving that information. Doing so may constitute a violation of the proprietary information and inventions agreement that you signed upon joining us. Unauthorized use or distribution of this information could also be illegal and result in civil liability and/or criminal penalties. Unauthorized posting or discussion of any information concerning our business, information or prospects on the Internet is prohibited. You may not discuss our business, information or prospects in any "chat room," or "message boards" regardless of whether you use your own name or a pseudonym.

10. Media/Public Discussions

It is our policy to disclose to the public all material information concerning Chordiant through specific limited channels to avoid inappropriate publicity and to ensure that all those with an interest in the company will have equal access to information. All inquiries or calls from financial analysts should be referred to the Chairman, CEO, President, CFO or the Director of the investor relations department. We have designated our Chairman, CEO, President, CFO and Director of the investor relations department as our official spokespersons for financial matters.

11. Waivers

Any waiver of this Code for executive officers (including, where required by applicable laws, our principal financial officer and controller or principal accounting officer (or persons performing similar functions) or directors may be authorized only by our Board of Directors or a committee of the Board and will be disclosed to stockholders as required by applicable laws, rules and regulations.

12. Compliance Standards and Procedures

We have established the position of Compliance Officer to oversee our legal compliance and ethics program. The Compliance Officer is a person to whom you can address any questions or concerns. The Compliance Officer is identified on *Exhibit A*. In addition to fielding questions or concerns with respect to potential violations of this Code, the Compliance Officer is responsible for:

- a. distributing copies of the Code annually via email to each employee with a reminder that each employee is responsible for reading, understanding and complying with the Code;
- b. updating the Code as needed and alerting employees to any updates, with appropriate approval of the Audit Committee of the Board of Directors, to reflect changes in the law, Chordiant operations and in recognized best practices, and to reflect Chordiant experience;
- c. otherwise promoting an atmosphere of responsible and ethical conduct.

If you encounter a situation or are considering a course of action and its appropriateness is unclear, discuss the matter promptly with your supervisor or the Compliance Officer. If you are uneasy about a situation or action that seems to fall within technical compliance of the Code, take steps to clarify your concerns; even the appearance of impropriety can be very damaging and is to be avoided. If you are aware of suspected or actual violations of Code standards by others, you have a responsibility to report it.

Your most immediate resource is your supervisor. He or she may have the information you need, or may be able to refer the question to another appropriate source. There may, however, be times when you prefer not to go to your supervisor. In these instances, you should feel free to discuss your concern with the Compliance Officer. Whether you choose to speak with your manager or the Compliance Officer, you should do so without fear of any form of retaliation. We will take prompt disciplinary action against any employee who retaliates against

you, up to and including termination of employment. If you are uncomfortable speaking with the Compliance Officer because he or she works in your department or is one of your supervisors, please contact the Chief Executive Officer or the General Counsel. If you are uncomfortable speaking with either the Compliance Officer, the Chief Executive Officer or General Counsel and the matter pertains to suspected or actual violation of Section 5 of this Code, you may contact Bill Raduchel Chairman of Chordiant's Audit Committee (or then current Chairman) by e-mailing him at the e-mail address listed on Chordiant's intranet.

All violators of the Code may be subject to disciplinary action in our discretion, which may range from a warning to termination of employment to, in appropriate cases, civil action or referral for criminal prosecution. There is no set pattern that the corrective action may follow. Certain conduct may result in immediate dismissal, without a "second chance."

EXHIBIT A
Compliance Officer

General Counsel