

Siebel Systems, Inc.

Code of Conduct

July 2004

Dear Siebel Colleague,

One of our most valuable assets at Siebel Systems is our reputation for professionalism and trustworthiness. We have worked hard to make Siebel Systems a model of business ethics and personal integrity. We are committed to upholding this reputation in all of our operations everywhere in the world. This is a fundamental value.

Our Code of Conduct articulates the Company's specific policies on key issues concerning integrity. Each and every one of us must make a personal commitment to follow this Code of Conduct. We must all comply not only with the letter of these policies but also with their spirit.

If you ever have a question about what is proper conduct for you or anyone else in the Company, promptly raise the issue with your manager or through one of the other channels available to you. Nothing should ever compromise our commitment to lawful and ethical conduct. Not winning a deal. Or making our numbers. Or even a direct order from a manager.

Managers at Siebel Systems have a special obligation to set an example for others. They must foster a culture in which compliance with our policies and applicable laws is at the core of how we conduct ourselves. It is incumbent on every leader to promptly address, with care and respect, any concerns about appropriate conduct.

We are privileged to work in a community of dedicated professionals who share a commitment to building a company known for its high standards of ethical conduct. By personally upholding that reputation in everything we do, each of us contributes to a foundation for enduring success.

Sincerely,

Thomas M. Siebel
Chairman

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How to Use this Guide

Siebel Systems has long reinforced its commitment to integrity with policies concerning key risk areas. This guide provides you with a statement of many of those policies. It is an essential tool that equips you to identify risk areas that you may come across in your job and to learn what to do whenever you have a question or concern about an integrity policy.

How this Guide is Organized

1. Read the letter from our Chairman, our Core Values and this Code of Conduct to learn about the importance of Siebel Systems' commitment to integrity and the fundamental ethical principles underlying our policies.
2. Read the Introduction, which explains the responsibilities that all employees have for complying with the Company's policies and for raising concerns about possible violations of law or policy.
3. Read the Siebel Systems policies set forth in this guide. For each policy you will find a "policy statement," "core requirements," and examples of "what to watch out for."
4. Talk to your manager or Company legal counsel to understand how the policies apply to your job.
5. Refer to the Company's published policies and Employee Handbook, which are available on mySiebel, for further information on some of the policies included in this Guide. If you do not have Web access, you can obtain a printed copy of any policy from your manager or, if you prefer, from a Company legal counsel, or human resources manager.

Important

This guide and the policies described in it are not an employment contract. Siebel Systems does not create any contractual rights by issuing the guide or the policies.

Siebel Systems Code of Conduct

Fundamental Principles

- *Obey the applicable laws and regulations governing our business conduct worldwide.*
- *Be honest, fair and trustworthy in all your Siebel Systems activities and relationships.*
- *Avoid all conflicts of interest between work and personal affairs.*
- *Foster an atmosphere in which fair employment practices extend to every member of the diverse Siebel Systems community.*
- *Strive to create a safe workplace and to protect the environment.*
- *Strive to make customer satisfaction your overriding priority.*
- *Through leadership at all levels, sustain a culture where ethical conduct is recognized valued and exemplified by all employees.*

Introduction

Siebel Systems has issued its Code of Conduct and related policies to help Siebel Systems employees around the world take a consistent approach to key integrity issues. This booklet contains basic information about each of our policies. The underlying responsibilities of all employees and leaders, penalties for violations and how to handle an integrity concern are described in this introduction.

Who must follow Siebel Systems policies

- ***Siebel Systems employees***

Siebel Systems policies apply to all employees of the Company throughout the world.

- ***Subsidiaries and other controlled affiliates***

Subsidiaries and other controlled affiliates throughout the world must adopt and follow these policies. A controlled affiliate is a subsidiary or other entity in which Siebel Systems owns, directly or indirectly, more than 50 percent of the voting rights, or in which the power to control the entity is possessed by or on behalf of Siebel Systems.

- ***Siebel Systems Board of Directors***

To the extent relevant to their duties and activities, Siebel Systems policies apply to members of the Board of Directors of the Company and of each subsidiary and other controlled affiliate.

Which law applies

Siebel Systems conducts business in more than 28 countries around the world. Our employees are citizens of many different countries. As a result, our operations are subject to the laws of many countries, provinces, states, municipalities and organizations such as the European Union.

An important challenge for all of us is to understand how these laws may apply to our operations. Siebel Systems, the parent company, is a corporation organized in the United States. The laws of the United States frequently extend to the operations of Siebel Systems and its affiliates throughout the world as well as to the business activities of Siebel Systems employees wherever they live and work. Other countries may also apply their own laws outside of their borders to their own citizens and to corporations that are organized under their laws, such as Siebel Systems subsidiaries or other controlled affiliates.

In the policies that follow, the references to the laws of the United States and the other countries where we do business reflect the reality that a global company is regulated by many different laws at the same time. In some instances, there may be a conflict between the applicable laws of two or more countries. When you encounter such a conflict, it is especially important to consult Company legal counsel to understand how to resolve that conflict properly.

Introduction (continued)

Employee responsibilities

Each policy identifies specific responsibilities. However, you must also follow these basic obligations common to all policies:

- Learn the details of the policies dealing with your work. No one expects you to know policies word for word. You should have a basic understanding of issues covered by each policy, and you should have a detailed understanding of policies that apply to your job. Please check mySiebel for the complete and latest text of every Siebel Systems policy that relates to your work.
- Seek assistance from your manager, Company legal counsel or other Siebel Systems resources when you have questions about application of the policies.
- Promptly raise any concern that you or others may have about possible violations of any Siebel Systems policy or about a possible request that you believe might violate a Siebel Systems policy.
- Understand the many options you have for raising integrity concerns. You may raise them with a Siebel Systems manager, or, if you prefer, with Company legal counsel or Siebel Systems' internal auditor. Your communication may be written or oral, and it may be anonymous.
- If you raise an integrity concern and the issue is not resolved, raise it with one of the other contacts listed above.
- Cooperate in Siebel Systems investigations into concerns about a Siebel Systems policy.

Siebel Systems prohibits any employee from retaliating or taking adverse action against anyone for raising or helping to resolve an integrity concern or any violation or potential violation of this Code of Conduct.

Introduction (continued)

Waivers

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

Leadership responsibilities

The obligations of Siebel Systems leaders go beyond those required of all employees. Leaders in our Company are expected to:

- Build and maintain a culture of compliance by:
 - Leading by example, using their own behavior as a model for all employees.
 - Making sure that employees understand that business results are never more important than compliance.
 - Encouraging employees to raise their integrity questions and concerns.
 - Using employee actions and judgments in promoting and complying with Siebel Systems policies as considerations when evaluating and rewarding employees.
- Prevent compliance problems by:
 - Ensuring that compliance risks associated with the business processes under the leader's management are systematically identified.
 - Ensuring that policies and procedures tailored to the particular risk areas faced by a business are issued and communicated.
 - Identifying for each Siebel Systems policy those employees, controlled affiliates and third parties who represent the Company whose activities may involve issues covered by that policy.
 - Providing education and legal counseling to ensure that employees, controlled affiliates and, where appropriate, third parties understand the requirements of Siebel Systems policies and applicable law.
- Detect compliance problems by:
 - Implementing appropriate control measures in business processes, such as “dashboards” and “scorecards,” to detect heightened compliance risks and/or violations.
 - Promoting an effective reporting system that permits employees to raise concerns without fear of retaliation.
 - Ensuring that periodic compliance reviews are conducted, with the assistance of the corporate audit staff, to assess the effectiveness of the business' compliance measures and to identify ways of improving them.
- Respond to compliance problems by:
 - Taking prompt corrective action to fix any identified weaknesses in compliance measures.
 - Taking appropriate disciplinary action.
 - Consulting with Siebel Systems legal counsel and making appropriate disclosures to regulators and law enforcement authorities.

Introduction (continued)

Penalties for violations

Employees who violate the spirit or letter of Siebel Systems policies are subject to disciplinary action up to and including termination of employment. The following are examples of conduct that may result in discipline:

- Actions that violate a Siebel Systems policy.
- Requesting others to violate a Siebel Systems policy.
- Failure to promptly raise a known or suspected violation of a Siebel Systems policy.
- Failure to cooperate in Siebel Systems investigations of possible violations of a Siebel Systems policy.
- Retaliation against another employee for reporting an integrity concern.
- Failure to demonstrate the leadership and diligence needed to ensure compliance with Siebel Systems policies and applicable law.

Violation of a Siebel Systems policy can also mean breaking the law, subjecting you or the Company to criminal penalties (fines or jail sentences) or civil sanctions (damage awards or fines).

Your personal commitment

Periodically, Siebel Systems asks employees to acknowledge their commitment to the spirit and letter of Siebel Systems policies with the language printed below. Newly hired employees must sign the acknowledgment, “Your Personal Commitment to Integrity.”

Your Personal Commitment to Integrity

I acknowledge that I have received the Siebel Systems Code of Conduct.

I understand that every employee is required to comply with the policies described in the Code of Conduct.

When I have a concern about a possible violation of Siebel Systems policy, I will raise the concern to a Siebel Systems manager, Company legal counsel or Siebel Systems’ internal auditor.

Signature _____

When You Have an Integrity Concern

One of the most important responsibilities each of us has as a Siebel Systems employee is the obligation to raise a concern about a possible violation of Siebel Systems policy or the law. Sometimes it may seem difficult to raise such a concern. Some of us may even feel it is a breach of personal ethical standards to do so. If you experience that sense of conflict, it's important to remember the tremendous harm that not raising a concern can cause, including:

- Serious damage to the health, safety and well-being of yourself, your fellow employees, the Company as a whole, our customers and the communities in which we operate;
- The loss of confidence in Siebel Systems--by customers, stockholders, governments and neighbors; and
- Huge fines, damage awards and other financial penalties against the Company, and fines and/or prison sentences for individual employees.

Those are the reasons the Company requires that employees not sit silently when they have a policy concern. The point of raising a concern is not to get a friend in trouble, but to protect a colleague or neighbor from potential harm.

HOW TO RAISE AN INTEGRITY CONCERN

The Company offers you many ways to get answers to your questions about integrity issues and to raise good faith, reasonable concerns about what might be a violation of Company policy. Generally, your supervisor or manager will be in the best position to resolve the issue quickly. If after raising an integrity concern the issue is not resolved, raise it with one of the other contacts listed in the Company's Non-Retaliation Policy. You can raise your concern orally or in writing, and if you prefer, you can do it anonymously. The whole idea is to speak up. Ask questions. Get answers. Bring the concern into the open so that any problems can be resolved quickly and more serious harm prevented.

Please review the Company' Non-Retaliation Policy for detailed guidance on how to raise good faith, reasonable concerns.

Early Identification and Resolution are Critical!

Working with Customers and Suppliers

No matter how high the stakes, no matter how great the “stretch,” Siebel Systems will do business only by lawful and ethical means. When working with customers and suppliers in every aspect of our business, we will not compromise our commitment to integrity.

The Siebel Systems policies described in this section relate to the ways that our Company interacts with customers, suppliers and partners:

- *Improper Payments*
- *International Trade Controls*
- *Money Laundering Prevention*
- *Privacy*
- *Supplier and Partner Relationships*

Improper Payments

POLICY STATEMENT

Siebel Systems employees should not offer anything of value to obtain any improper advantage in selling goods and services, conducting financial transactions or representing the Company's interests to governmental authorities. This policy sets forth Siebel Systems' standards of conduct and practices for certain kinds of payments, entertainment and political contributions. Siebel Systems must not authorize, involve itself in or tolerate any business practice that does not follow this policy.

A violation of this policy can result in severe civil and criminal penalties. All countries prohibit the bribery of their own public officials, and many also prohibit the bribery of officials of other countries. Siebel Systems' policy goes beyond these laws and prohibits improper payments in all of our activities, both with governments and in the private sector.

CORE REQUIREMENTS

- Never give, offer, or authorize the offer, directly or indirectly, of anything of value (such as money, goods or a service) to a customer, government official or other third party to obtain any improper advantage. A business courtesy, such as a gift, contribution or entertainment, should never be offered under circumstances that might create the appearance of an impropriety.

This policy does not prohibit lawful, reasonable and bona fide expenditures--for example, travel, entertainment and living expenses directly related to the promotion of products or services, or to the execution of a contract.

- Never give a gratuity or other payment to government officials or employees to expedite a routine administrative action without consulting with Siebel Systems legal counsel. If such a "facilitating payment" is made, make sure it is clearly and accurately reflected in financial reports.
- Never contribute Company funds or other Company assets for political purposes in the United States or internationally without the prior approval of Siebel Systems' Chief Executive Officer.
- Require any person or firm who represents Siebel Systems (such as a consultant, agent, sales representative, distributor or contractor) to comply with this policy and related laws.
- Exercise due diligence when selecting persons or firms to represent Siebel Systems.

WHAT TO WATCH OUT FOR

- Any person or firm representing Siebel Systems or being considered to represent Siebel Systems who:
 - Has been accused of improper business practices;
 - Has influence on the buying decision and a reputation for bribes;
 - Has a family or other relationship that could improperly influence the decision of a customer or government official;
 - Approaches you near an award decision and explains that he or she has a "special arrangement" with a government official or the customer; or
 - Insists on receiving a commission payment before the announcement of the award decision.
- Any request that a commission or other payment be made in a third country or to another name.
- A commission that seems large in relation to the services provided.

International Trade Controls

POLICY STATEMENT

Many countries regulate international trade transactions, such as imports, exports and international financial transactions, for a variety of reasons, including national security and foreign policy. In addition, the United States prohibits any cooperation with boycotts against countries friendly to the United States or against firms which may be “blacklisted” by certain groups or countries.

CORE REQUIREMENTS

- Follow relevant international trade control regulations, including licensing, shipping documentation, import documentation, reporting and record retention requirements of all countries in which you conduct business or in which your business is located. In some cases, these restrictions will apply to international trade in goods, technology, software and services as well as to financial transactions.
- Learn and understand the extent to which U.S. trade controls apply to transactions conducted by your business, even outside the United States.
- Make sure all international transactions are screened by Manufacturing Operations against all applicable laws and regulations that restrict transactions with certain countries and persons.
- Do not cooperate with any restrictive trade practice or boycott prohibited or penalized under U.S. or applicable local laws. Make sure you tell your manager about all boycott-related requests, including requests for information.
- Consult with Company legal counsel or your manager in any transaction in which a conflict arises between U.S. law and the law of another country or region, such as the laws blocking certain U.S. restrictions adopted by Canada, Mexico and the members of the European Union.
- Understand which party to the import transaction bears legal responsibility for the accuracy of import documentation. Where Siebel Systems bears legal responsibility, establish procedures to monitor and verify the accuracy and completeness of information presented to government authorities by Siebel Systems or by Siebel Systems’ agents. Where an agent or customer is the responsible party ensure that Siebel Systems provides the full and accurate information the other party needs to complete import documents.

International Trade Controls (continued)

WHAT TO WATCH OUT FOR

All transactions:

- Evasive, reluctant or otherwise unsatisfactory answers by a customer to questions about end use, end users, delivery dates or delivery locations.
- Lack of concern for normal training and warranty service.
- Freight forwarder listed as ultimate receiver of software.
- Abnormal packing, marking or routing of goods.
- Unusual security or safety measures.
- Transactions involving an embargoed country, a citizen or representative of an embargoed country or an individual or entity subject to government sanction.

Imports:

- An invoice price that does not reflect the full value of the imported goods.
- Any payment to an exporter or benefiting an exporter that is not included in the invoice price or otherwise reported to customs authorities.
- Transfer prices between related parties that fail to cover all costs and profits.
- Inaccurate or incomplete invoice description of the imported goods.
- Inaccurate identification of country of origin of the imported goods.
- Use of an import tariff classification that does not appear to be an accurate description of the imported goods.
- Any time Siebel Systems is designated as the importer of record in a country that does not have an established Siebel Systems import process.
- Entry of goods under a preferential duty program (GSP, NAFTA, Lomé Convention ASEAN FTA, return of domestically manufactured goods, etc.) without supportive procedures that assure compliance with program requirements.

Money Laundering Prevention

POLICY STATEMENT

People who are involved in criminal activity (for example, narcotics trafficking, bribery, fraud) may try to “launder” the proceeds of their crimes to hide them or to make those proceeds appear legitimate. More than 100 countries now have laws against money laundering that prohibit the acceptance or processing of the proceeds of criminal activities.

Siebel Systems is committed to complying fully with all applicable anti-money laundering laws throughout the world. Siebel Systems will conduct business only with reputable customers who are involved in legitimate business activities and whose funds are derived from legitimate sources. Siebel Systems’ integrity and reputation can be severely damaged by failing to detect customer relationships and transactions that place us at risk.

CORE REQUIREMENTS

- Comply with all applicable laws that prohibit money laundering and that require the reporting of cash or other suspicious transactions. Understand how both types of laws apply to your business.
- Follow the Company’s rules concerning acceptable forms of payment. Learn how to identify the types of payments that have become associated with money laundering activity (for example, multiple money orders or travelers checks, large amounts of cash, or checks on behalf of a customer from an unknown third party) and follow the rules that restrict or prohibit acceptance of them.
- Learn to identify and carefully watch for warning signs that may indicate money laundering or other illegal activities or violations of Siebel Systems policies.
- If you encounter a warning sign, raise your concern with Company legal counsel and be sure to resolve your concern promptly before proceeding further with the transaction. Resolution should include management review and should be well documented.

WHAT TO WATCH OUT FOR

- A customer, agent or proposed joint venture partner who is reluctant to provide complete information, provides insufficient, false or suspicious information, or is anxious to avoid reporting or record-keeping requirements.
- Payments by use of monetary instruments that are not consistent with the business activities of the client, appear to have no identifiable link to the customer, or have been identified as money laundering mechanisms.
- Requests by a customer, agent or proposed joint venture partner to pay in cash.
- Orders or purchases that are unusual or inconsistent with the customer’s trade or business.
- Unusually complex deal structures or payment patterns that reflect no real business purpose.
- Unusual fund transfers to or from foreign countries unrelated to the transaction.
- Transactions involving locations that have been identified as tax havens or areas of known money laundering activity.
- Structuring of transactions to evade record-keeping or reporting requirements (for example, multiple transactions below the reportable threshold amounts).
- Wire transfer activity that is not consistent with the business activities of the customer or that originates or terminates with unrelated parties to the transaction.
- Requests to transfer money or return deposits to a third party or to an unknown or unrecognized account.

Privacy

POLICY STATEMENT

In our increasingly information-based society, employee, customer, third party, medical, financial and other sensitive personal information must be adequately protected. Siebel Systems is committed to protecting personal information that we collect from or maintain about employees, customers or other third parties. Each employee must take care to protect individually identifiable information about customers or other third parties and other sensitive personal information from inappropriate or unauthorized use or disclosure, and Siebel Systems must take reasonable steps to ensure compliance with its privacy and information protection procedures.

CORE REQUIREMENTS

- Comply with all applicable privacy and data protection laws, regulations and treaties.
- Learn and follow the Company's implementing procedures for privacy and data protection. Pay particular attention to the protection of employee, customer and other third party information, medical and financial records, and other sensitive personal information, such as information from or about children.
- Do not acquire, use, or disclose employee, customer or other third party information in ways that are inconsistent with the Company's privacy policies or with applicable laws or regulations.
- If you have access to employee, customer or other third party information, use that information only for authorized business purposes.
- Keep secure the Company's records of employee, customer and other third party information, including computer-based information.
- Consult with legal counsel before establishing or updating any system, process or procedure to collect, use, disclose or transmit employee, customer or other third party information, medical or financial records, or other sensitive personal information.

WHAT TO WATCH OUT FOR

- Business or marketing plans that involve the inappropriate or unauthorized collection, use or disclosure of employee, customer or other third party information.
- Privacy policies or notices that are inaccurate or out-of-date.
- Disclosures of (or requests to disclose) employee, customer or other third party information, particularly sensitive personal information to unaffiliated third parties who are not properly authorized to receive the information.
- Transfers of employee, customer or other third party information to third parties, such as vendors or suppliers, who lack appropriate security safeguards or appropriate restrictions regarding their use of the information.
- Transfers of employee, customer or other third party information between countries.
- Inadequate information security controls, such as those that could permit unauthorized access to employee, customer or other third party information.

Supplier and Partner Relationships

POLICY STATEMENT

Siebel Systems bases its relationships with suppliers and partners on lawful, efficient and fair practices. We also expect our suppliers and partners to adhere to applicable legal requirements in their business relationships, including those with their employees, their local communities and Siebel Systems. The quality of our supplier and partner relationships often has a direct bearing on the quality of our customer relationships. Likewise, the quality of our suppliers' and partners' products and services affects the quality of our own products and services.

CORE REQUIREMENTS

- Follow government acquisition regulations when purchasing materials and services for use in fulfilling government contracts.
- Provide a competitive opportunity for suppliers to earn a share of Siebel Systems' purchasing volume, including small businesses and businesses owned by the disadvantaged, minorities and women.
- Enlist supplier and partner support in ensuring that Siebel Systems consistently meets and exceeds customer expectations of quality, cost and delivery.
- Do business only with suppliers and partners who comply with local and other applicable legal requirements and any additional Siebel Systems standards relating to labor, environment, health and safety, intellectual property rights and improper payments.

WHAT TO WATCH OUT FOR

- Selection of suppliers on any basis other than open, competitive bidding.
- Potential conflicts of interest in supplier or partner selection, including the acceptance of gifts or other items of value except in strict compliance with business guidelines.
- Directing business to a supplier owned or managed by a relative or close friend.
- The existence of referral fees that are not evidenced by a contract signed by both parties.

Government Business

Siebel Systems today counts among its customers many governmental bodies, whether they are cities, states, provinces, countries, international organizations or government-funded enterprises. Many Siebel Systems employees interact with government officials. We need to understand and follow the many special rules for companies that do business with governments or otherwise interact with them.

The policy described in this section is:

- *Working with Governments*

Working with Governments

POLICY STATEMENT

Siebel Systems conducts business with many national governments (including government-owned enterprises), and their political subdivisions such as states, provinces and municipalities. Siebel Systems also interacts with many government agencies, ministries, officials, and public international agencies. Siebel Systems is committed to conducting its business with all governmental representatives and with all third parties with the highest ethical standards and in compliance with applicable laws and regulations, including the special requirements associated with government transactions.

Please note that, to the extent that anything contained herein conflicts with the Company's U.S. Public Sector Business Conduct and Ethics Guidelines, the provisions of the Company's U.S. Public Sector Business Conduct and Ethics Guidelines will control.

CORE REQUIREMENTS

- Abide by applicable laws and regulations, with particular emphasis on those special requirements associated with government contracts and transactions.
- Require anyone providing goods or services for Siebel Systems on a government project or contract--such as consultants, agents, sales representatives, distributors, independent contractors and subcontract labor--to agree to comply with the intent of this policy and with the Company's U.S. Public Sector Business Conduct and Ethics Guidelines, which are available on mySiebel.
- Be truthful and accurate when dealing with government officials and agencies.
- Adopt effective processes to ensure that: 1) reports, certifications, statements and proposals are current, accurate and complete; and 2) contract requirements are adequately identified and communicated to personnel who have responsibility for contract performance.
- Do not make any unauthorized substitutions for contracted goods and services or deviate from contract requirements without the written approval of the authorized government official.

WHAT TO WATCH OUT FOR

- Special requirements associated with government transactions, including "commercial" transactions financed by government agencies such as the EX-IM Bank, U.S. Agency for International Development, U.S. Defense Security Cooperation Agency, the European Union or local governmental bodies within EMEA.
- Incorrect or unauthorized cost-charging on government contracts.
- Deviations from contract requirements or unauthorized contract substitutions, including the failure to perform required tests and inspections.
- Submission of inaccurate or incomplete cost or pricing data when such data are required by the government.
- Violating national, regional or local government regulations that establish gratuity restrictions, entertainment rules, recruiting prohibitions, non-commercial contract requirements or certification procedures.
- Acceptance of information related to the government's competitive selection of a supplier, or a competitor's bid or proposal, unless the contracting officer or head of the agency has specifically and lawfully authorized release of such information.

Competing Globally

The competition laws (known in some countries as the antitrust laws) are a critical part of the global business environment in which Siebel Systems operates. They are designed to protect the competitive process and govern a wide range of Siebel Systems' business activities, including setting prices, purchasing, selling and marketing goods and services. Every Siebel Systems employee is responsible for complying with the competition laws.

The policy included in this section summarizes the requirements in this important area:

- *Complying with the Competition Laws*

Complying with the Competition Laws

POLICY STATEMENT

Siebel Systems is dedicated to compliance with the competition laws in all of its activities. As part of its competition law compliance program, the Company may from time to time provide materials and instructions detailing how the competition laws and this policy apply to the issues you might face. Competition law issues may be very complex. As such issues arise, you should review this policy and discuss any issues with Company legal counsel.

CORE REQUIREMENTS

- Comply with all applicable competition laws, policies and treaties, as well as competition law decrees, orders and undertakings affecting Siebel Systems and its employees.
- Learn and comply with the Company's procedures that address contacts with competitors, obtaining and handling data concerning competitors, and participating in trade associations, professional societies, and standards development and product certification organizations. For further detail, please refer to your Proprietary Information and Inventions Agreement and the Company's Employee Handbook.
- Do not propose or enter into any agreements or understandings--express or implied, formal or informal, written or oral--with any competitor regarding any aspect of the competition between Siebel Systems and the competitor for sales of products or services to third parties.
- Do not propose or enter into any agreements or understandings with third parties that restrict the price or other terms at which the third party may resell or lease any product or service to another third party, to the extent that general resale rights would exist under any such agreements.
- Do not propose or enter into any agreements or understandings with third parties that restrict the price or other terms at which Siebel Systems may resell or lease any product or service to another third party.
- Consult with Company legal counsel early in the process of evaluating any proposed merger, acquisition or joint venture.
- Consult with Company legal counsel in connection with business arrangements that could raise competition law issues, including:
 - Exclusive arrangements for the purchase or sale of products or services,
 - Bundling of goods and services,
 - Distribution arrangements with competitors, and
 - Agreements to add a Siebel Systems employee to another entity's board of directors.

WHAT TO WATCH OUT FOR

- Discussions or agreements with competitors on:
 - Prices
 - Terms or conditions of sale
 - Costs, profits or profit margins
 - Product or service offerings
 - Production or sales capacity or volume
 - Market share
 - Coordination of bidding activities
 - Dividing sales territories or allocation of customers or product lines
- Any contracts with competitors that could create the appearance of improper agreements or understandings, whether the contact is in person, in writing, by telephone, through e-mail or through other means of electronic communication.

In the Siebel Systems Community

Beyond Siebel Systems' specific responsibilities to customers and suppliers, all of us have important responsibilities to each other and to the communities in which we work. Throughout the Company, we must ensure that employees are hired and promoted based on merit and that working conditions comply with the law. We must strive to provide safe environments for our employees and the communities in which we do business.

Those principles are reflected in the following policies summarized in this section:

- *Environment, Health and Safety*
- *Fair Employment Practices*

Environment, Health and Safety

POLICY STATEMENT

Siebel Systems is committed to achieving environmental, health and safety excellence. This is a responsibility of management and employees in all functions. Siebel Systems will strive to provide a safe and healthy working environment and to avoid adverse impact and injury to the environment and the communities in which we do business. Our programs must combine clear leadership by management, the participation of all employees and functions, and the use of appropriate technology in developing and distributing Siebel Systems products and services. Please also refer to our Injury and Illness Prevention Plan, which is available on mySiebel, for more information.

Please note that, to the extent that anything contained herein conflicts with the Company's Injury and Illness Prevention Plan, the provisions of the Company's Injury and Illness Prevention Plan will control.

CORE REQUIREMENTS

- Comply with all relevant environmental, health and safety laws and regulations.
- Create and maintain a safe working environment and prevent workplace injuries.
- Reduce waste, emissions and the use of toxic materials.
- Appropriately assess and manage our environmental, health and safety risks.
- Eliminate unreasonable risks from our products, activities and services.
- Address site contamination issues in a cost-effective and appropriate manner.
- Respect the environmental rights and interests of our neighbors.

WHAT TO WATCH OUT FOR

- Unsafe activities and conditions.
- Failure to comply with health, safety or environmental regulations and procedures.
- Environmental, health and safety complaints from employees, customers or neighbors.
- Deficiencies noted by government inspectors.
- Unreported environmental, health or safety hazards or accidents.
- Failing to respond promptly to concerns about possible product safety issues.
- Missed opportunities for reducing waste and toxic materials.

Fair Employment Practices

POLICY STATEMENT

Siebel Systems is committed to fair employment practices, including the prohibition against all forms of illegal discrimination. By providing equal access and fair treatment to all employees on the basis of merit and other lawful factors, we improve Siebel Systems' success while enhancing the progress of individuals and the communities where our businesses are located.

Siebel Systems is committed to following the applicable labor and employment laws wherever it operates. That includes observing those laws that pertain to freedom of association, privacy, recognition of the right to engage in collective bargaining, the prohibition of forced, compulsory and child labor, and those laws that pertain to the elimination of any improper employment discrimination.

CORE REQUIREMENTS

- Use merit, qualifications (for example, education, experience, competencies, etc.) and other lawful factors as the sole bases for all employment-related decisions affecting employees and applicants.
- Recruit, hire, train, compensate, promote and provide other conditions of employment without regard to a person's race, color, religion, national origin, gender (including pregnancy), sexual orientation, age, disability, veteran status or other characteristic protected by law.
- Provide a work environment free of unlawful harassment, such as harassment directed at a person because of his or her race, religion, gender or other characteristic protected by law.
- Respect the privacy rights of employees by using, maintaining and transferring their personal data in accordance with applicable Company guidelines and procedures. While seeking to maintain employee privacy, however, Siebel Systems reserves the right to monitor use of Company property (for example, computers, e-mail, phones, proprietary information, etc.) in accordance with applicable law.
- Comply with all relevant laws and regulations.
- In the United States, take affirmative actions to increase opportunities in employment for women, minorities, the disabled and certain veterans in accordance with applicable law.
- If a conflict arises between the requirements of this policy and the laws, customs or practices of a particular area, consult with management and Company legal counsel to determine the most appropriate course of action.

WHAT TO WATCH OUT FOR

- A hostile work environment (for example, telling jokes or displaying materials that ridicule or offend a member of a particular race or ethnic group).
- Allowing race, color, religion, national origin, gender (including pregnancy), sexual orientation, age, disability, veteran status or other characteristic protected by law to be a factor in hiring, promotion, compensation, or other employment-related decisions.
- Making unwelcome sexual advances to another employee or person with whom you work.
- Violating a labor law in your country (for example, hiring a child who is under the legal minimum age).
- Refusing to work or otherwise cooperate with certain individuals because of their race, religion, gender, etc.
- Disclosing employment data to a person who does not have the business need, authority or the subject's consent.

Protecting Siebel Systems Assets

As Siebel Systems employees, each of us has a direct role in helping to maintain the Company's financial integrity by keeping Company records accurate. We must also safeguard Company property whether it is a piece of equipment, an electronic file, a Siebel Systems trademark or confidential information about an upcoming deal. In addition, we have a fundamental obligation to make sound business decisions on behalf of our Company that are undistorted by our individual family financial or other interests.

The following policies, summarized in this section, concern our responsibilities for protecting Siebel Systems assets:

- *Conflicts of Interest*
- *Controllership*
- *Insider Trading or Dealing and Stock Tipping*
- *Intellectual Property*

Conflicts of Interest

POLICY STATEMENT

Siebel Systems recognizes and respects that employees may take part in legitimate financial business and other activities outside their jobs. However, those activities must be lawful and free of conflicts with their responsibilities as Siebel Systems employees. Employees must not misuse Siebel Systems resources or influence, or discredit Siebel Systems' good name and reputation. The effectiveness of this policy depends in large part on the cooperation of all employees in disclosing any situations that may be contrary to the intent of the policy and the ethical standards that it expresses.

CORE REQUIREMENTS

- Disclose your outside activities, financial interests or relationships that may present a possible conflict of interest or the appearance of a conflict. Make your disclosures in writing to your manager as well as to Company legal counsel.
- In addition to complying with the law and Siebel Systems policies, exercise your own good judgment in all personal and business dealings outside your Siebel Systems position.
- Avoid actions or relationships which conflict with your job responsibilities or the interests of Siebel Systems, unless those relationships have been approved by your manager, or otherwise as required by applicable law. Notwithstanding the foregoing, for an executive officer or director, the only action or relationship that shall be deemed a conflict is one that (i) meets the requirement for disclosure in the Company's periodic filings with the SEC pursuant to Item 404 of Regulation S-K and (ii) has not been publicly disclosed, including via the Company's website, within five business days of such action or relationship.
- Do not misuse Siebel Systems resources, intellectual property, time or facilities (including office equipment, e-mail and computer applications).
- Obtain necessary approvals before accepting any position as an officer or director of an outside business concern.
- Obtain the approval of your manager when accepting a board position with a not-for-profit entity, when there may be a Siebel Systems business relationship with the entity or an expectation of financial or other support from Siebel Systems.

WHAT TO WATCH OUT FOR

- Holding a financial interest in a company where you could personally affect Siebel Systems' business with that company.
- Taking a part-time job where you may be tempted to spend time on that job during your normal Siebel Systems working hours or to use Siebel Systems equipment or materials.
- Receiving gifts of greater than nominal value from suppliers, customers, partners or competitors while you are in a position to influence Siebel Systems decisions that might affect or appear to affect the outside concern.
- Receiving personal discounts or other benefits from suppliers, service providers, partners or customers not available to the general public or similarly situated Siebel Systems employees.
- Accepting an offer to purchase "friends and family stock" in a company issuing shares through an initial public offering (IPO) if you interface with that company in your Siebel Systems business activities.
- Directing business to a supplier that is owned or managed by a relative or close friend.
- Misusing Siebel Systems resources, your position or influence to promote or assist an outside business or not-for-profit activity.

- Preferential hiring of, direct supervision of, or making a promotion decision about a spouse, relative or close personal friend.
- A romantic or other personal relationship that may create a conflict of interest with the employee's responsibilities or compromise Company interests.

Controllership

POLICY STATEMENT

Controllership comprises three elements that are vital to Siebel Systems' unyielding commitment to maximize the value we create for stockholders: (1) **compliance** with applicable laws, regulations and Company policies, (2) **rigorous business processes** to ensure that management decisions are based on sound economic analysis (including a prudent consideration of risks) and that Siebel Systems' physical, financial and intellectual property assets are safeguarded and optimally employed, and (3) **integrity in communications** to ensure full, fair, timely, accurate and understandable reporting of actual and forecasted financial information. Through the unwavering commitment of all employees to controllership, we create an environment in which we can all take pride.

CORE REQUIREMENTS

- Follow Siebel Systems' general accounting procedures and internal controls, as well as all generally accepted accounting principles (GAAP), standards, laws and regulations for accounting and financial reporting of transactions, estimates and forecasts.
- Maintain complete, accurate and timely records and accounts to reflect all business transactions.
- Safeguard all physical, financial, informational and other Company assets.
- Use economic, risk-based criteria to make business decisions.
- Provide timely, candid forecasts and assessments to management.
- Cooperate fully with our Finance, Accounting and Legal departments, 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 full, fair, accurate, timely and understandable.
- Maintain sound processes and controls.

WHAT TO WATCH OUT FOR

- Financial results that seem inconsistent with underlying performance.
- Inaccurate financial records, such as overstated travel and living expense reports, or erroneous time sheets or invoices.
- Transactions that are inconsistent with good business economics.
- Side letters in any transaction involving the sale of Siebel Systems products or services.
- Confidential information released to unauthorized third parties.
- Absence of controls to protect assets from risk of loss.
- Physical assets or other resources that could be more fully utilized, reallocated or disposed of.
- Circumventing review and approval procedures.
- Adequacy of routines and controls at newly acquired businesses and at remote, thinly staffed sites.

Insider Trading or Dealing and Stock Tipping

POLICY STATEMENT

Siebel Systems is committed to fair and open markets for publicly traded securities throughout the world. We have established standards of conduct for employees and others who obtain material or price-sensitive non-public information (inside information) through their work for Siebel Systems. Insider trading, insider dealing and stock tipping are criminal offenses in most countries where Siebel Systems does business. Our policies require not only full compliance with applicable laws, but also avoiding even the appearance of insider trading, insider dealing or tipping. These policies are not meant to restrict the freedom of employees to make appropriate personal investments or the Company's right to legitimately use and disclose inside information in the ordinary conduct of its business.

Insider trading or dealing means personally buying or selling stock or other securities of any company while in possession of inside information about the company. Stock tipping means disclosing inside information about a company--for example, to a relative, colleague or friend--to enable the person to buy or sell stock or other securities of the company on the basis of such information.

Please note that, to the extent that anything contained herein conflicts with the Company's Securities Trading Policies (i.e., Policies 105 and 106), the provisions of Policies 105 and 106 will control.

CORE REQUIREMENTS

- Never buy or sell the stock or other securities of any company while you have inside information about that company.
- Never recommend or suggest that anyone else buy, sell, or retain the stock or other securities of any company while you have inside information about that company.
- You must not disclose inside information to anyone outside Siebel Systems (including family members), except when such disclosure is needed to enable Siebel Systems to carry on its business properly and effectively and appropriate steps have been taken by Siebel Systems to prevent the misuse of the information. Employees are urged to consult with Company legal counsel to determine if such disclosure is needed and is being undertaken in an appropriate manner.
- Only disclose inside information within Siebel Systems in the ordinary course of business and when you have no reason to believe the information will be misused.

Insider Trading or Dealing and Stock Tipping (continued)

WHAT TO WATCH OUT FOR

- Failing to learn how to identify inside information. Inside Information is any non-public information that a reasonable investor is likely to consider important in making an investment decision.
 - Inside information may relate to Siebel Systems or any other company, including Siebel Systems' suppliers, customers or other business partners.
 - Inside information may be non-public information about anything that could affect a company's stock price, including a pending merger, acquisition, disposition or joint venture; a substantial contract award or termination; a major lawsuit or claim; an earnings announcement or change in dividend policy; a significant product development; the gain or loss of a significant customer or supplier; or the filing of a bankruptcy petition.
- Any non-public information about a company that would influence your own decision to buy or sell that company's stock or other securities probably is inside information.
- Trading tips probably are also inside information if there is any indication that the information may originally have come from someone with inside information.

Intellectual Property

POLICY STATEMENT

Among Siebel Systems' most valuable assets is its intellectual property--patents, trade secrets, trademarks, copyrights and other proprietary information. It is Siebel Systems' policy to establish, protect, maintain and defend its rights in all commercially significant intellectual property and to use those rights in responsible ways. All employees must take steps to safeguard these assets.

In addition to protecting Siebel Systems' intellectual property rights, Siebel Systems respects the valid intellectual property rights of others. Unauthorized use of the intellectual property rights of others may expose Siebel Systems to civil law suits and damages. In many countries, theft and misappropriation of trade secrets, proprietary information or other intellectual property may result in significant fines and criminal penalties to both Siebel Systems and to the individual. New Siebel Systems products, services, processes and software, and any proposed use of the intellectual property of others, may be timely and reasonably reviewed for infringement as circumstances warrant.

CORE REQUIREMENTS

- Identify and protect commercially significant Siebel Systems intellectual property.
- Follow the requirements of Siebel Systems Proprietary Information and Inventions Agreements ("PIIA"), which all employees are required to sign.
- Respect valid patents, copyrighted materials and other protected intellectual property of others. Consult with Company legal counsel concerning necessary licenses or approvals to use such intellectual property.
- Consult with Company legal counsel before:
 - Soliciting, accepting or using proprietary information of outsiders, such as former employers of any Siebel Systems employee.
 - Disclosing Siebel Systems proprietary information to outsiders.
 - Permitting third parties to use Siebel Systems intellectual property.
- Assert intellectual property rights only in ways consistent with the law.
- Understand your responsibilities to the Company regarding new inventions and ideas that you may develop while a Siebel Systems employee. Please review the documents related to the Company's Patent Program, which are available on mySiebel, or consult with Company legal counsel if you have any question about your obligations under your PIIA.
- Comply with the Company's guidelines for use of the Siebel Systems primary trademarks and trade names, including the Company's Trademark License Agreement, which is available on mySiebel.
- Follow the Company's guidelines and procedures regarding intellectual property, including the Intellectual Property Guide, that are available on mySiebel.

Intellectual Property (continued)

WHAT TO WATCH OUT FOR

- Receiving, from an employee, proprietary information about his or her prior employer.
- Accepting proprietary information from an outsider, without first consulting Company legal counsel, under circumstances where a confidential relationship exists or may be implied.
- Discussing Siebel Systems proprietary information with customers or suppliers.
- Passing on, for technical or management review, an outsider's suggestion for a new product, product feature, service or name, without notifying Company legal counsel.
- Introducing, or divulging information about, a new product or service before patent applications have been filed or a decision has been made not to file an application.
- Introducing a new product or service, or new product or service name, before performing appropriate intellectual property due diligence.
- Threatening anyone suspected of infringing any Siebel Systems intellectual property without first consulting with Company legal counsel.
- Employing a person who previously worked for a competitor without putting in place safeguards to prevent the person from inadvertently disclosing or using the competitor's proprietary information.