

ARI NETWORK SERVICES, INC. INSIDER TRADING POLICY

*Effective December 9, 2013,
as amended effective October 20, 2015*

I. Background

The Board of Directors of ARI Network Services, Inc. ("ARI", or the "Company") has adopted this Insider Trading Policy (the "Policy") for directors, officers, and employees of the Company and any of its subsidiaries with respect to the trading of the Company's securities, as well as the securities of publicly traded companies with whom we have a relationship.

Federal and state securities laws prohibit the purchase or sale of a company's securities by persons who are aware of material information about the company that is not generally known or available to the public. These laws also prohibit persons who are aware of such material nonpublic information from disclosing this information to others who may trade. Companies and their controlling persons are also subject to liability if they fail to take reasonable steps to prevent insider trading by company personnel.

It is important that you understand the breadth of activities that constitute illegal insider trading and the consequences, which can be severe.

This Policy is designed to prevent insider trading or allegations of insider trading, and to protect ARI's reputation for integrity and ethical conduct. We have all worked tirelessly to establish ARI's reputation for integrity and ethical conduct and simply cannot afford to have it damaged. It is your obligation to understand and comply with this Policy. Please contact ARI's Chief Financial Officer at extension 4539 with any questions.

II. Persons Subject to Policy

ARI considers "Insiders" to be: (i) directors, officers, and employees of the Company; (ii) household and immediate family members of those persons listed in (i) above; and (iii) non-household family members whose transactions in ARI securities are directed by or who are subject to the influence or control of those persons listed in (i) above (e.g., parents or children who consult with you before they decide whether to trade in Company securities).

As an Insider, you are responsible for the transactions of these persons and therefore you should make them aware of the need to confer with you before they trade in the Company's securities. If you are in possession of material nonpublic information when you cease being an Insider, this Policy will continue to apply to you until that information has become public or is no longer material.

All persons subject to this Policy must certify their understanding of, and intent to comply with, this Policy.

III. Policy Statement

Except under the limited circumstances described in Section VIII below, if you have material non-public information related to ARI, it is the Company's policy that you may not buy or sell ARI securities or engage in any other action to take advantage of, or pass onto others, that information. This Policy also applies to information relating to any other company, including our competitors, customers, or suppliers, obtained in the course of employment with ARI or by serving as a director of ARI. Specifically:

- ☐ No Insider may buy or sell securities at any time when in possession of material nonpublic information relating to the Company;
- ☐ No Insider may buy or sell securities of another company with which we do business (including, without limitation, any of our customers, vendors, or suppliers) at any time when the Insider has material nonpublic information about that company and that information has been obtained by the Insider in the course of performing services on ARI's behalf;
- ☐ No insider may disclose (i.e., "Tip") material nonpublic information to any other person (including family members) and no Insider may make recommendations or express opinions with respect to trading in securities on the basis of material nonpublic information;
- ☐ No Insider, except the Chairman of the Board of Directors, CEO, or CFO may comment on stock price movement or rumors concerning corporate developments that are of possible significance to the investing public.
- ☐ No Insider may buy or sell ARI securities at any time after termination of service to ARI if the Insider is in possession of material nonpublic information obtained in the course of the Insider's association with the Company, until that information has become public or is no longer material.

It is important to note that if your securities transactions become the subject of scrutiny, they will be viewed after-the-fact with the benefit of 20/20 hindsight. As a result, before engaging in any transaction you should carefully consider how regulators and others might view your transaction in hindsight. Each Insider is responsible for ensuring that he or she complies with this Policy. In all cases, the responsibility for determining whether an Insider is in possession of material non-public information ultimately rests with that Insider, and any action on the part of the Company, including pre-clearance of a trade as described in Section IV below, does not in any way constitute legal advice or insulate an Insider from potential liability under applicable securities laws.

IV. Material Nonpublic Information

“Material nonpublic information” is any information that has not been disclosed and is not available to the general public (“nonpublic”) and that a reasonable investor would consider important in a decision whether to buy, hold, or sell stock (“material”). Common examples of information frequently regarded as material are:

- ☐ Unpublicized financial data, including monthly and preliminary quarterly or annual earnings or losses;
- ☐ Projections of future earnings or losses, or other earnings guidance;
- ☐ News of a pending or proposed merger, acquisition, significant sale of assets, or other material transaction;
- ☐ Changes in dividend policy, declaration of a stock split, or the offering of additional securities;
- ☐ Changes in senior management;
- ☐ The release of significant new products or services;
- ☐ Impending bankruptcy or financial liquidity issues;
- ☐ The gain or loss of a substantial customer or supplier.

This list is not meant to be all inclusive of information that could be considered material, simply a set of examples. Any information that could be expected to affect the Company’s stock price, whether it is positive or negative, should be considered material.

V. Blackout Periods

ARI maintains four blackout periods each fiscal year coinciding with the Company’s quarterly earnings releases. Directors, officers, executive team members, and such other Insiders who are from time to time notified that they are subject to blackout and pre-clearance requirements (as described below) because the organization believes that, in the normal course of their duties, they are likely to have regular access to material nonpublic information (collectively referred to as “Designated Persons”), are prohibited from buying or selling ARI securities during any black out period. Each blackout period begins ten days prior to the close of each fiscal quarter and ends at the close of trading on the day subsequent to our earnings release. For our fiscal year beginning August 1, 2015 and ending July 31, 2016, the blackout periods are as follows:

Fiscal Quarter End Blackout Periods:

- October 21, 2015- Close of trading day after the 1Q16 earnings release
- January 21, 2016- Close of trading day after the 2Q16 earnings release
- April 20, 2016- Close of trading day after the 3Q16 earnings release
- July 21, 2016- Close of trading day after the full year fiscal 2016 earnings release

Blackout periods will be updated annually at the beginning of each fiscal year and will be posted on the Company's intranet and distributed annually.

Additionally, from time to time, the Company may recommend that directors, officers and other Insiders suspend trading in ARI's securities because of developments that have not yet been disclosed to the public. All those affected should not trade in Company securities while the suspension is in effect, and should not disclose to others that we have suspended trading for certain individuals. You will receive notice of any modification of the window period policy or of any prohibition on trading during the established window period. *In addition, you should remember that, even if the window is otherwise open for someone else, you cannot trade if you are in possession of material, non-public information.*

VI. Pre-clearance of Trades

To provide assistance in preventing inadvertent violations and avoiding even the appearance of an improper transaction (which could result, for example, where an officer engages in a trade while unaware of a pending major development), all Designated Persons must obtain a pre-clearance from the CFO in writing or by email prior to buying or selling ARI securities. A request for pre-clearance should be made in writing at least 3 days in advance of the anticipated transaction date.

VII. Other Prohibited Transactions

Because we believe it is improper and inappropriate for any ARI personnel to engage in short-term or speculative transactions involving ARI stock or other securities, it is the policy of the Company that directors, officers, and employees should not engage in any of the following activities with respect to ARI stock or other securities:

"In and Out" Trading. You must hold ARI securities purchased in the open market for a minimum of six months, ideally longer, prior to selling the securities. Note that the Securities and Exchange Commission ("SEC") has a short-swing profit recapture rule that already effectively prohibits ARI directors and officers from selling ARI stock within six months of a purchase. We are simply expanding this rule to cover all Insiders. Note that this rule does not affect shares acquired as a result of the exercise of stock options.

Short Sales. Short sales of the Company's securities evidence an expectation on the part of the seller that the securities will decline in value and, therefore, signal to the market that the seller has no confidence in the Company or its short-term prospects. Additionally, short sales reduce the seller's incentive to improve the Company's performance. For these reasons, you may not engage in short sales of ARI securities.

Derivatives. A transaction in options is, in effect, a bet on the short-term movement of the Company's stock and therefore creates the appearance that you are trading based on inside information. Transactions in options may also focus the transacting person's attention on short-term performance at the expense of the Company's long-term objectives. Accordingly, you may not engage in transactions in puts, calls, or other derivative securities based on the Company's securities, on an exchange or in any other organized market.

Standing Orders. Standing orders should be used only for a brief period of time. A standing order placed with a broker to purchase or sell Company stock at a specified price leaves you with no control over the timing of the transaction. A standing order executed by the broker when you are aware of material nonpublic information may result in unlawful insider trading.

Margin Accounts and Pledges. When securities are held in a margin account or pledged as collateral for a loan, such securities may be sold without your consent by the broker if you fail to meet a margin call or by the lender in foreclosure if you default on the loan. A margin or foreclosure sale that occurs when you are aware of material nonpublic information may, under some circumstances, result in unlawful insider trading. Because of this danger, you should exercise caution in holding the Company's securities in a margin account or pledging the Company's securities as collateral for a loan.

Hardship Transactions. Transactions that may be necessary or justifiable for independent reasons, such as the need to raise money for an emergency expenditure, are not exempted from this Policy. The securities laws do not recognize such mitigating circumstances and, in any event, even the appearance of an improper transaction must be avoided to preserve our reputation for adhering to the highest standards of conduct.

VIII. Certain Exempted Transactions

Certain transactions in ARI's securities may be exempted from the restrictions established within the guidelines of this Policy. These transactions are described below. However, compliance with securities laws remains the responsibility of the individual; accordingly, do not hesitate to get clarification on any questions that you have.

Stock Options. This Policy does not apply to your exercise of an employee stock option, or to the exercise of a tax withholding right pursuant to which you elect to have the Company withhold shares subject to an option in order to satisfy tax withholding requirements. This exemption to the Policy results from the fact that the other party to the option exercise is the Company itself and the price does not vary with the market, but is fixed by the terms of the option agreement. However, this Policy does apply to the sale of stock as part of a broker-assisted cashless exercise of an option, or any other market sale for the purpose of generating the cash needed, including income taxes, to pay the exercise price of an option.

Employee Stock Purchase Plan ("ESPP"). This Policy does not apply to the purchase of stock through ARI's ESPP since the other party to the transaction is the Company itself and the shares are purchased during the course of the plan regardless of the stock price. However, this Policy does apply to the subsequent sale of any such shares.

SEC Rule 10b5-1 Insider Trading Plans. A 10b5-1 insider trading plan is a contract to purchase or sell securities established by a Company Insider, prior to making any purchase or sale transactions. SEC regulations permitting 10b5-1 insider trading plans were established to make it possible, under very specific circumstances, for insiders to trade company stock according to their own personal investment plan schedules, while at the same time reducing their risk of exposure to allegations of fraud or insider trading.

For further information regarding 10b5-1 insider trading plans, refer to the SEC's website at www.sec.gov or ask the Company's CFO. It is a requirement that a 10b5-1 plan be established at a point in time in which the insider has no material nonpublic information. The Company may also require that any 10b5-1 insider trading plan established by an Insider comply with other requirements that it believes to be in the best interests of the Company. Accordingly, all 10b5-1 plans must first receive a pre-clearance by the Company's CFO.

IX. Penalties for Non Compliance

Potential civil and criminal penalties for insider trading violations, which are subject to change from time to time, include:

- ☐ Repayment of all profits earned from insider trading;
- ☐ Civil fines of up to three times the profit gained or loss avoided;
- ☐ Criminal fines (regardless of the size of the profit) of up to \$5 million; and
- ☐ Imprisonment for up to 20 years.

For a company or controlling person that fails to take appropriate steps to prevent illegal trading, potential civil and criminal penalties include:

- ☐ Civil penalties of up to the greater of \$1 million or three times the profit gained or loss avoided as a result of the Insider's violation; and ☐ A criminal penalty of up to \$25 million.

Any of the above consequences, or even an investigation by the SEC that does not result in prosecution, can tarnish the reputation of both the Company, which may lead to a decline in share price and market value, and the person involved, which can irreparably damage that person's career. Accordingly, violations of this Policy could result in disciplinary action, up to and including termination of employment or resignation from the Board of Directors.

X. Prompt Reporting to the SEC

Any director, officer, or ten percent shareholder of ARI (referred to as "Corporate Insiders") must notify the SEC of any change in beneficial ownership of ARI stock. If you are appointed to the Board of Directors or are designated an officer of the Company, you must file a Form 3, "Initial Statement of Beneficial Ownership of Securities," within 10 days of attaining such status.

Directors and officer are required to report any change in ownership of ARI stock by filing a Form 4, "Statement of Changes in Beneficial Ownership", with the SEC by the end of the second business day following the change in ownership.

ARI assists directors and officers in complying with the necessary filing requirements. However, note that this assistance is provided only for the convenience of directors and officers, and that timely filing remains your responsibility and not the responsibility of the Company or its personnel. The Company effectively assist you with complying with these requirements only if you timely pre-clear any transactions in ARI stock as required under this Policy.

CERTIFICATION

I CERTIFY THAT:

1 I have read and understand the Company's Insider Trading Policy (the "Policy"). I understand that the Company's Chief Financial Officer is available to answer any questions I might have regarding the Policy.

2 Since the date the Policy became effective, or such shorter period of time that I have been an employee of the Company, I have complied with the Policy.

3 I will continue to comply with the Policy for as long as I am subject to the Policy.

Print Name:

Signature: Date: