



**CODE OF BUSINESS CONDUCT AND ETHICS  
OF  
CARBONITE, INC.**

**Application**

This Code of Business Conduct and Ethics (the “Code”) applies to all officers, employees and directors of Carbonite, Inc. and its subsidiaries (collectively, the “Company”). Unless the context requires otherwise, all officers and employees of the Company are referred to herein as “Employees” and the Company’s Chief Executive Officer and Chief Financial Officer or persons performing similar functions are collectively referred to herein as the “Principal Officers.”

**General Policy**

The Company shall adhere to the highest standards of honesty and integrity in the conduct of its business. To the extent that this Code sets forth a more stringent standard of conduct than is required by applicable laws or commercial practice, the Company and all of its Employees and directors shall adhere to these more stringent standards.

This Code is intended to ensure fair and accurate financial reporting, to promote ethical conduct in compliance with applicable laws, rules and regulations, to provide guidance with respect to the handling of ethical quandaries, to encourage a culture of openness and accountability and to deter wrongdoing.

All Employees and directors of the Company are expected to read the policies set forth in this Code and ensure that they understand and comply with all such policies. The Company’s General Counsel is responsible for applying these policies to specific circumstances in which questions may arise and has authority to interpret these policies in any given situation. The Nominating and Corporate Governance Committee of the Board of Directors is responsible for coordinating the Board’s oversight of this Code and compliance herewith.

Questions about this Code, the subject matter or applicability hereof should be directed to the Company’s General Counsel, who may consult with outside legal counsel, the Company’s Board of Directors or the Nominating and Corporate Governance Committee thereof. Any determination with respect to the applicability of any provision of this Code to any executive officer, Principal Officer or director of the Company shall be made only by the Board of Directors or the Nominating and Corporate Governance Committee thereof and shall be disclosed to the public as required by law of the NASDAQ Stock Market.

**Reporting**

All Employees and directors of the Company have a duty to report any known or suspected violations of this Code, including violations of any applicable laws, rules, regulations or policies. Such known or suspected violations can be reported by any of the following means:

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- Leaving a detailed message regarding the violation on the Company's Ethics Hotline at (866) 320-2275. Individuals may remain anonymous when reporting violations to the Ethics Hotline.

- Contacting the General Counsel of the Company at:

Carbonite, Inc.  
Attn: Danielle Sheer  
2 Avenue de Lafayette  
Boston, Massachusetts 02111  
Tel: (617) 587-1104  
Email: DSheer@Carbonite.com

- Contacting the Chairperson of the Nominating and Corporate Governance Committee of the Board of Directors at:

Carbonite, Inc.  
Attn: Chairperson of the Nominating and Corporate Governance Committee  
2 Avenue de Lafayette  
Boston, Massachusetts 02111

Employees and directors who submit violations are encouraged to provide as much specific information as possible.

The Company shall take appropriate steps to maintain the confidentiality of the reporting individual's identity, if disclosed, to the extent that it can do so consistent with the Company's obligations to investigate and remedy the matter and, if appropriate, to report the matter to government officials.

## **No Retaliation**

The Company shall not discharge, demote, suspend, threaten, harass or in any other manner discriminate or retaliate against any Employee or director of the Company for submitting information, in good faith, regarding a known or suspected violation of this Code or applicable law. Any Employee or director of the Company who engages in any such retaliatory conduct will be subject to immediate disciplinary action, including potential termination of employment. In addition, the Company shall comply with all applicable laws pertaining the submission of such information.



## **Conflicts of Interest**

1. **General Policy.** Conflicts of interest occur when an Employee's or director's private interest interferes, or appears to interfere, with that Employee's or director's ability or motivation to act in the best interest of the Company as a whole. Any situation, transaction or relationship that may give rise to an actual or potential conflict of interest must be disclosed to the Company's General Counsel and shall be avoided, unless otherwise approved by the Company.

2. **Outside Employment.** No Employee or director shall be employed by, serve as a director of, or provide any services to any person or entity that the Employee or director knows or suspects to be material customer, supplier or competitor of the Company.

3. **Financial Interests.** No Employee or director shall hold an ownership interest greater than 1% of the total equity of a material customer, supplier or competitor of the Company or an investment in any material customer, supplier or competitor of the Company that represents more than 5% of the total assets of the Employee or director.

4. **Loans and Other Transactions.** No Employee or director shall obtain loans or guarantees of personal obligations from, or enter into any other personal financial transaction with, any person or entity that the Employee or director knows or suspects is a material customer, supplier or competitor of the Company, except for arms-length transactions with banks, brokerage firms or other financial institutions.

5. **Board Service.** No Employee or director shall serve on the board of directors, as a trustee or on any committee of any entity whose interest would reasonably be expected to conflict with those of the Company. In addition, no Employee shall serve on the board of directors, as a trustee or on any committee of any entity, other than not-for-profit organizations, without the prior approval of the General Counsel.

6. **Family Members.** No Employee or director shall conduct business on behalf of the Company with any Family Members (as defined herein) or with any entity with which a Family Member is associated. For the purposes of this Code, "**Family Member**" shall mean any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law of an Employee or director of the Company or any person (other than a tenant or employees) sharing the household of such Employee or director.

## **Corporate Opportunities**

Employees and directors of the Company owe a duty to the Company to advance the Company's business interests when the opportunity to do so arises. Employees and directors are prohibited from taking, or directing a third-party to take, a business opportunity that is discovered through

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the use of Company property, information or position, unless the Company has already been offered the opportunity and has determined not to pursue such opportunity. More generally, Employees and directors of the Company are prohibited from using Company property, positions or information for personal gain and from directly or indirectly competing with the Company.

Employees and directors of the Company shall consult with the Company's General Counsel prior entering into any business relationship that may be the subject of this Code.

## **Confidential Information**

During and after engagement with or by the Company, Employees and directors of the Company shall safeguard all confidential information of the Company or third-parties with which the Company conducts business, except where disclosure of such confidential information is authorized by the Company or is legally mandated. Confidential information includes all non-public confidential and/or proprietary knowledge, data or information concerning the business, business relationships and financial affairs of the Company whether or not in writing and whether or not labeled or identified as confidential or proprietary and all similar information pertaining to third-parties with which the Company conducts business.

All determinations of whether disclosure of confidential information is legally mandated shall be referred to the Company's General Counsel.

## **Competition and Fair Dealing**

It is the policy of the Company not to seek competitive advantage through illegal or unethical business practices. Accordingly, Employees and directors of the Company shall endeavor to deal fairly and honestly with the Company's customers, suppliers and competitors as well as with other Employees and directors of the Company. In conducting Company business, no Employee or director shall take unfair advantage of anyone through manipulation, concealment, abuse of privileged or confidential information, misrepresentation of material facts or any other unfair dealing practice.

## **Gifts and Entertainment**

Employees and directors of the Company as well as Family Members of Employees and directors shall not, directly or indirectly, accept services, payment or gifts from any current or prospective customer or supplier of the Company including, without limitation, commissions, loans, free services, products, entertainment, travel or tickets. Notwithstanding the foregoing, Employees and directors of the Company shall not be prohibited from accepting entertainment, travel or gifts that are openly accepted courtesies given in connection with normal business relations, such as holiday gifts, business luncheons or promotional items each with a value of less than two hundred and fifty dollars (\$250.00) per person.

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Employees and directors shall make every effort to refuse or return a gift that is beyond the permissible bounds of this Code; provided, however, that if it would be inappropriate to refuse or return a gift, the receipt of such gift shall promptly be reported to the Company's General Counsel who shall determine the appropriate course of action including directing that the gift be donated to an appropriate community organization..

## **Recordkeeping**

The Company's books, records, accounts and financial statements shall be maintained in reasonable detail and reflect the matters to which they relate accurately, fairly and completely. All books, records, accounts and financial statements shall also conform to applicable law and to the Company's system of internal controls. The Company's assets must be carefully and properly accounted for, no undisclosed or unrecorded account or fund shall be established for any purpose, and no false or misleading entries shall be made in the Company's books or records for any reason.

Employees and directors of the Company shall further comply with any document retention policy that the Company may establish from time-to-time.

## **Protection of Company Assets**

Employees and directors of the Company shall protect the assets of the Company and ensure their efficient use for only legitimate business purposes. Any suspected incident of fraud, theft or abuse should be immediately reported to the Company pursuant to the instructions set forth herein.

## **Disclosure**

In order to for the Company to effectively comply with the laws, rules and regulations to which it is subject, all Employees and directors of the Company are responsible for the accurate and complete reporting of financial information within their respective areas of responsibility and for the timely notification of senior management of financial and nonfinancial information that may be material to the Company.

Each Employee and director, to the extent involved in the Company's disclosure process, including without limitation the Principal Officers, the Company's General Counsel and other senior management of the Company, shall familiarize himself or herself with the disclosure requirements applicable to the Company as well as the business and financial operations of the Company and shall not knowingly misrepresent, or cause others to misrepresent, facts about the Company to others, whether within or outside the Company, including to the Company's independent auditor, government regulators and self-regulatory organizations.

## **Compliance with Laws**



1. General Policy. Employees and directors of the Company shall respect and obey all applicable laws, rules and regulations when carrying out responsibilities on behalf of the Company and shall refrain from any illegal conduct. All Employees and directors have an affirmative obligation to be familiar with specific laws, rules and regulations applicable to their respective areas of responsibility. To the extent that this Code or any other policy of the Company conflicts with any applicable law, rule or regulation, Employees and directors of the Company shall comply with such law, rule or regulation.

2. Insider Trading. Federal and state securities laws prohibit trading (purchase or sale) of equity, debt or derivative securities by a person while in possession of material, nonpublic information. "Material nonpublic information" includes all information that is not available to the public at large and to which a reasonable person would attach importance in determining whether to buy, sell or hold a company's equity, debt or derivative securities. Accordingly, Employees and directors of the Company are prohibited from engaging in any transaction involving the purchase or sale of the Company's securities while in possession of material nonpublic information or from passing such information along to others. Employees and directors of the Company are further prohibited from engaging in any transaction involving the purchase or sale of securities of other companies about which an Employee or director learned material nonpublic information as a result of his or her relationship with the Company or from passing such information along to another. Employees and directors should review the Company's Insider Trading Policy for more information with respect to these matters.

3. Foreign Corrupt Practices. The Foreign Corrupt Practices Act of 1977, as amended (the "FCPA") prohibits the Company and its Employees, directors and agents from offering or giving money or any other item of value to win or retain business or to influence any act or decision of any government official, political party, candidate for political office or official of a public international office. Accordingly, Employees and directors of the Company shall only conduct business in foreign markets and with foreign government officials in accordance with the FCPA and any established policies of the Company.

4. Antitrust. Competition laws and regulations throughout the world are designed to foster a competitive marketplace and prohibit activities in restraint of trade. Generally, action taken in combination with other companies that have the effect of restraining trade or certain actions taken by an individual company in a market segment in which it has a strong position may violate antitrust laws. The Company is dedicated to compliance with all laws governing fair competition and Employees and directors of the Company shall comply with all such laws.

5. Health, Safety & Environment. The Company is dedicated to conducting its business activities and operations in a manner that promotes protection of people and the environment to the extent possible. Accordingly, Employees and directors of the Company shall comply with all applicable environmental, health and safety laws and shall report noncompliance with such laws to the Company pursuant to the instructions set forth herein.

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6. Fair Employment Practices. The Company strives to maintain a work environment in which all individuals are treated with respect and dignity and does not discriminate on the basis of race, religion, color, sex, pregnancy, national origin, age, physical or mental disability, military or covered veteran status, marital status, sexual orientation or any other classification protected by applicable federal, state or local law. Further, the Company is committed to compliance with applicable labor and employment laws, including anti-discrimination laws and laws related to freedom of association and privacy. Each Employee and director of the Company shall treat all colleagues in a respectful manner, free from bias, prejudice and harassment. Any Employee or director who is found to have discriminated against or harassed another Employee or director shall be subject to immediate disciplinary action, including potential termination of employment.

7. Political Activities. The Company does not make contributions to political candidates or political parties except as permitted by applicable laws. Any Employee or director of the Company who engages in political activities shall do so as a private citizen and not as a representative of the Company. Further, any Employee's or director's personal lawful political contribution, or decision not to make a political contribution, shall not influence such Employee's or director's compensation, job security or opportunities for advancement.

## **Public Communications**

It is the policy of the Company to provide timely, accurate and complete information in response to public requests in a manner consistent with the Company's obligations to maintain the confidentiality of confidential and/or proprietary knowledge, prevent the selective disclosure of market-sensitive financial data and comply with the requirements of Regulation FD as promulgated by the United States Securities and Exchange Commission.

To ensure compliance with this policy, any Employee or director who is contacted by the press, any member of the financial community (i.e. analysts, institutional investors, or investment advisors) or any other outside organization or individual shall not provide any information to such parties with regard to the Company's business, including without limitation, information regarding overall business trends, business in different geographies, pricing, suppliers, new products or technologies and lawsuits or disputes, and shall direct all such inquiries to the Company's General Counsel.

## **Amendment**

The Company reserves the right to amend, supplement or discontinue this Code at any time and without prior notice.