



How We Work at AVG

**AVG Code of Conduct**

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# How We Work at AVG

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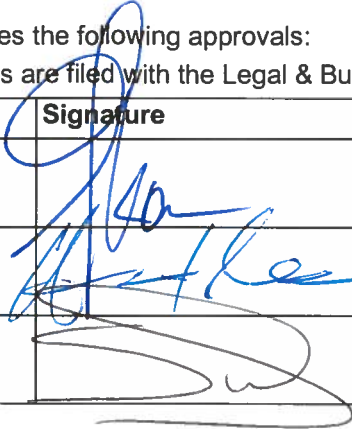
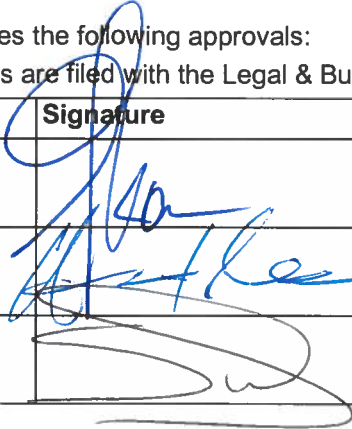
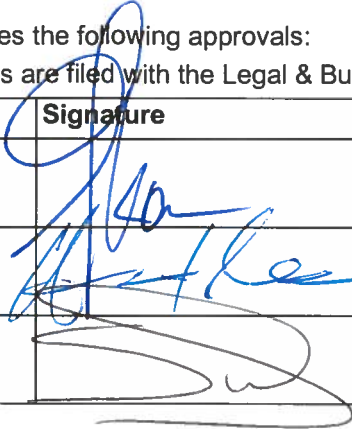
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**Approvals**

This document requires the following approvals:

Signed approval forms are filed with the Legal & Business Practices Department.

Name	Signature	Title	Date of Issue	Version
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## CEO's Introduction

As members of the AVG team, each one of us shares in a common goal to build and grow this company, combined with a commitment to integrity in all that we do.

The AVG Code of Conduct sets the standards for behavior in AVG, and is a substantial and crucial part of the base upon which our reputation is built. It applies to all staff, business activities, locations and ventures.

The Code of Conduct is designed to support AVG as we enter a new era of business strategy and growth that is built on a platform of trust applicable across our products and our relationships with customers, partners, suppliers, shareholders and employees.

Our brand reflects our core values – Simple, Easy, Respect – and we must in turn reflect these in all that we do, internally and externally. We commit as individuals to respect all internal and external stakeholders of AVG's business by demonstrating these values in our work and acting with integrity and professionalism to maintain a positive brand reputation.

This Code of Conduct is supplemented by policies and practices that help to ensure we understand how to act in accordance with it and apply the AVG Code of Conduct in all of our day-to-day interactions. It is critical that all our behaviors match the values and high standards we set ourselves. In addition, it is implicit that those in a position of leadership should set the example of high ethical standards in words and actions. The continued growth and success of AVG depends upon maintaining the trust and confidence of our customers, our partners and alliances, our staff, our suppliers and shareholders as well as those in the communities in which we work. The only way of maintaining that trust and creating value for our various stakeholders is for us to act with integrity and professionalism, prudence and skill, yet also with urgency and in a determined and agile way as required to support AVG's business and objectives.

We are building this company together and each of us plays a crucial role. Transparency in relationships and conduct is essential and we want everyone to feel empowered to make the right decisions, in any situation, that align with our brand ethics and values. This requires individual responsibility and accountability in all that we do for AVG, whether inside or outside the office.

As CEO of AVG, I am the personal sponsor of the AVG Code of Conduct and I encourage us all to act with total transparency in mind and to report any disparity in behavior. You can rest assured that you can do so with complete discretion and without reprisal.

In addition to my personal support of this Code of Conduct, I also want to take the opportunity to thank you for your strong support and commitment to helping AVG to achieve its goals and objectives. I am proud to have each and every one of you in this company supporting the strategy, and participating in our path to growth and shared success. The AVG Code of Conduct will serve as a guide to help you be successful in these endeavors.



# Part 1

## Using the Code of Conduct

The Code has been put in place to provide rules to the members of the Management Board and the Supervisory Board and employees of AVG Technologies N.V. and its subsidiaries (together "AVG") (hereafter, collectively our "employees") about what to do when faced with questions regarding business conduct and compliance that control our activities.



Any time you are about to make a decision, take a minute and think about whether it is the right one. Look into the Code for guidance, use the Ethical Test, and beware of Red Flags. If you are still in doubt, ASK! This is the golden rule in using the Code and will always steer you in the right direction.

If you have any reason to believe that ethical principles were or are being violated, report it immediately.

The Code is based on our core values which govern how we do business and sets out the responsibilities of AVG towards its principal stakeholders. By setting the patterns of desired behavior and procedures, the Code is meant to navigate you through ethical and legal dilemmas and help you do the right thing and make the right decision.

The Code is binding on all employees and applies to all our business activities, locations and ventures and should be used alongside other AVG policies, guidance, work rules, contracts and instructions. We are all responsible for both complying with the Code and acting in the spirit of the Code.

We all have an obligation to report actual or potential infringements of this Code.



Again, if you are ever in doubt about a matter ASK! Whether that is to question if something is legal and ethical or about how to report.

## Raising Concerns

If you are aware of any illegal activity that has happened, is happening or is about to happen, or have reasons to believe that a provision of the Code has been or is being violated, you have a responsibility to raise your concerns.



You can do this through your Line Manager, higher level manager, the Human Resources Department and the Legal & Business Practices Department. If these channels do not appear to be appropriate or are not responsive, you may report your concern through the AVG Ethics Helpline.

AVG will not permit retaliation for reports of misconduct by others made in good faith by employees. Malicious reports are strictly prohibited and will be sanctioned as a disciplinary offence.

See AVG's WHISTLEBLOWING POLICY for a more detailed outline of reporting possibilities and an explanation of how reports are handled in AVG.

## Some Ethical Tests

This Code cannot cover every situation that you will encounter. If you are faced with an ethical decision that you find difficult to resolve, ask yourself these questions about your intended response:



- Is it legal and ethical?
- Is it consistent with our values and the Code of Conduct?
- Is it beneficial to AVG, AVG shareholders, my colleagues?
- Can I explain it to my family and friends?
- Would I be comfortable if it appeared in a newspaper?
- Would it be considered fair by those affected?
- Can I, my team, my department, AVG deliver what I am committing to?

If you are still uncertain about the ethics or legality of an issue, seek additional guidance before proceeding. Begin by asking your manager. A network of Ethics Champions with a representative in each department and each AVG company is another available contact point. You will find the list of Ethics Champions at <https://portal.cz.avg.com/ethics/SitePages/Home.aspx>. You can also contact AVG's HR Department or Legal & Business Practices to raise a particular issue or to ask for advice.

## Red Flags – Some Warning Signs of Impending Unethical Behavior

If you hear someone say.....

- "Well, maybe just this once"
- "No one will ever know"
- "It doesn't matter how it gets done as long as it gets done"
- "It sounds too good to be true"
- "Everyone does it"
- "Shred that document"
- "We can hide it"
- "No one will get hurt"
- "What's in it for me?"
- "Just do it"
- "Don't write it down"
- "We didn't have this conversation"

.....the next action is very likely to be unethical!

## Relations with our Stakeholders

AVG's principal stakeholders are: our shareholders, employees, customers, suppliers and the governments and communities within which we operate.



**Maintaining a relationship of mutual trust and respect with each of these is essential for the sustainability of our business. The Code provides guidance as to how we should conduct these relationships.**

### **Our Employees**

We at AVG do our best to be an employer of choice through the creation of a positive, responsible and open working environment free of harassment and discrimination.

Relations with our employees are based on respect for the dignity of each and fair treatment for all.

### **Our Shareholders**

We recognize that AVG's success in the market place requires the trust and confidence of the investment community.

AVG will protect the interests of shareholders and other investors.

### **Our Customers**

We treat our customers with respect, honesty and fairness.

People rely on AVG to give them honest advice and services. They are entrusting many of their most cherished possessions to our protection: their identities, their reputations, their finances, their music, photos and other media. As a trusted friend, we do our best to protect them.

AVG provides products and services giving good value and consistent quality, reliability and safety.

### **Our Suppliers**

Strengthening our marketplace relationships and opportunities depends on our reputation for conducting all aspects of our business with our business partners in a way that is mutually beneficial as well as open.

The purchasing power of AVG will not be used unscrupulously. We will be open, fair and objective in our selection and dealings with suppliers.

### **The Governments and Local Communities**

AVG recognizes that success in business depends on compliance with legal constraints, sensitivity to local customs and conventions governing business relationships, and a commitment to make a positive contribution to the sustainable development of the communities in which we work.



## Part 2

# AVG's Code of Conduct

In this part you will find basic rules on how to ethically and legally conduct your activities for AVG

## Workplace Rules

### 1. Respect

In AVG we are committed to treating others with respect and dignity. We expect employees to conduct their activities with co-workers, customers and other stakeholders as well as business partners with respect for all people.

### 2. No discrimination

We strive to maintain a working environment that is based on merit and inclusiveness. AVG values diversity and will recruit and promote employees on the basis of their suitability for the job and AVG needs without discrimination as to race, religion, national or ethnic origin, color, gender, sexual orientation, age, marital status or disability unrelated to the task at hand or other grounds according to legal regulations.

AVG provides all employees with equality of opportunity to develop themselves and their careers. Managers and the HR Department are especially responsible for complying with these principles.

### 3. Harassment and bullying

AVG wants to maintain a workplace free from any sexual, physical or mental harassment and bullying.



**All employees are expected to be open, honest and courteous with each other. Any form of harassment or bullying is prohibited.**

### 4. Development

AVG provides employees with opportunities to enhance their skills and capabilities, enabling them to develop fulfilling careers and to maximize their contribution to our business. Employees have the responsibility to participate in relevant trainings.

### 5. Remuneration

Pay systems will recognize the contribution of individuals, as well as the performance of the departments of the business in which they work, against AVG's business performance.

### 6. Use of AVG assets

Employees shall use company time, as well as physical and intellectual property in accordance with internal policies and for business purposes only, unless express permission has been given for other use.

AVG's electronic communication equipment and related services (including email, Internet, mobile, bulletin boards, fax machines, file storage) must be protected from unauthorized external access or use. Under no circumstances should they be used for receiving or storing illegal, offensive, obscene or otherwise inappropriate materials.



## 7. Insider trading

Material non-public information is anything that an employee learned in connection with work for AVG that has not been revealed publicly but may be considered important by investors when making investment or trading decisions. Examples of material non-public information include (but are not limited to):

- Information that AVG is about to win or lose a large contract
- Information that AVG is about to announce a major change in strategy or an important new product
- Information that AVG is about to acquire a company or sell a division or product
- Information about quarter-end or year-end financial data
- Information that AVG is about to repurchase shares, change dividend policies, or announce a stock split
- Information about developments in lawsuits or regulations that will significantly impact AVG
- Any similar information about an AVG customer, supplier or other business partner, such as information about an impending joint venture

It is material non-public information even if the information is discovered by accident.



**Employees are prohibited, directly or indirectly through others, from making stock trades while in possession of material non-public information. Employees may not disclose material non-public information to anyone or even suggest to anyone that it might be a good time to buy or sell AVG stock (shares) and other financial instruments while in possession of material non-public information.**

Employees having access to material non-public information should consult with the Chief Legal Officer before making any trades or sharing any information.

For more information on this subject, see AVG's INSIDER TRADING POLICY.

## 8. Conflict of interest

No AVG employee may be involved in an activity for personal gain which is in conflict with AVG's business interests.



**Any personal interests or interests of a member of one's immediate family in relations to AVG's business must be disclosed.**

For more information and further guidance on this subject, see AVG's CONFLICT OF INTEREST POLICY.

## 9. Health, safety and security

AVG places a high priority on the health, safety and security of employees and their work environment in line with the best industrial practices.

Employees for their part have a duty to take every reasonable precaution to avoid injury to themselves, their colleagues and members of the public and comply with internal policies and instructions. This includes reporting to work free from the influence of any substance that could inhibit safe and acceptable conduct.

# Doing Business

## 1. Gifts and entertainment

Gifts and entertainment may only be offered by AVG employees to customers in the ordinary course of business provided they are reasonable and modest and neither influence the recipient's objectivity nor could be construed as a means to make the recipient feel obligated. If you are in doubt whether a gift or entertainment is reasonable and modest, you must obtain prior approval from your Line Manager. Remember to disclose any gifts or hospitality to your manager.

The receipt of gifts or substantial favors by AVG employees from suppliers and other business partners may be seen as an improper inducement to give some concession in return to the donor. Everybody shall observe the following principles:



- **Gifts and favors must not be solicited**
- **Gifts in the form of money must never be accepted**
- **Reasonably small gifts and hospitality may be accepted provided they do not place the recipient under any obligation, are not capable of being misconstrued and can be reciprocated at the same level**
- **Any offer of small but recurring gifts, such as regular dinner or drinks, must be immediately reported to your Line Manager. The Line Manager will decide whether you may accept such gifts or refuse them**
- **Any offer of other gifts or favors of unusual size or questionable purpose must be reported immediately to your Line Manager. The Line Manager will decide whether you may accept such gifts or favors or refuse them**
- **All gifts must be reported to your Line Manager.**

Reasonable gifts that may be accepted without prior approval of your manager especially include marketing branded items of minor value such as pens, notepads, diaries, USBs, or offers of reasonable business meals of customary value.

No employee shall:

- offer, promise, give or authorize the gift or anything of value directly or indirectly to an official or employee of a government or a government-controlled entity (central government, regional government, municipalities, courts, state-owned companies etc.) in an effort to secure official action
- offer, promise, give or authorize the gift or anything of value directly or indirectly to anyone, including a government official or employee, a customer, a business partner representative, or a representative of another company, in an effort to induce that person or someone else to perform work duties improperly or otherwise disloyally or to reward past improper or disloyal performance.

Behavior described above (regardless in public or private sector) may constitute a bribe and is a criminal offence in most countries. Criminal liability may be imposed on AVG as well as on associated persons (e.g. employees, managers) involved in bribery offences.

When in doubt as to whether a contemplated payment or gift may violate applicable anti-corruption laws, contact your Line Manager or the Legal & Business Practices Department before taking any action. See AVG's ANTI-CORRUPTION POLICY for detailed information.

## 2. Antitrust and competition

Many countries have antitrust (US) and competition (EU) laws that are designed to ensure that competition is fair and honest. Such laws typically prohibit agreements or actions both horizontally (among competitors)

and vertically (e.g. AVG representatives and distributors) that might restrain trade or reduce competition. Under most antitrust laws, companies cannot agree with any competitor to:

- Fix or control prices
- Boycott specified suppliers or customers
- Allocate products, territories or markets
- Limit the production or sale of products.

Additionally, where AVG has a "dominant" market share in any product area, it may be subject to additional laws that prohibit abuse of that dominant position.

No employee may engage in conduct prohibited by antitrust and competition laws.

### 3. Advertising and marketing

We will avoid practices which seek to increase sales by any other means than legitimate merchandising efforts.

You shall not use untruths, concealment and overstatement in all advertising and other public communications. No one in AVG shall deliberately give inadequate or misleading descriptions of products or services to anyone.

We are bound to provide a high standard of after-sales service in our efforts to maintain customer satisfaction and co-operation. Everybody in AVG shall provide prompt redress if things go wrong, so that all complaints are resolved quickly, fairly and recorded appropriately.

### 4. Confidentiality

Confidential information is any information about AVG or its business partners that is not generally known in public and AVG or AVG's business partners have a legitimate interest in protecting such information from disclosure. Unauthorized disclosure could damage AVG or give unfair advantage to others.

Employees shall not disclose confidential information to third parties or colleagues that do not need to know such without prior authorization. Employees are expected to actively protect confidential information.

Confidential information may be disclosed on a need to know basis only. Use good judgment before disclosing confidential information to anybody who claims to need it. Business partners should be contractually bound by a duty of confidentiality when receiving AVG's confidential information. Disclosure may also occur if required by law or decision.



**Confidential information includes for example information about new products, pricing, software development, source codes, data of third parties, personal data, inside information, or AVG strategy. It is always any information received from a business partner in respect to which AVG is contractually bound by a duty of confidentiality.**

### 5. Data protection

AVG collects and processes Personal data and information, mainly of its customers and employees. Personal data is any information about an identifiable person. Employees shall keep Personal data and information confidential in accordance with the AVG Data Privacy Policy.

Personal data and information can be collected and processed only to the extent that is necessary for the given purpose.



Seek to access only such Personal data and information that is necessary for the performance of your job. Do not use personal data for your own benefit or private purposes.

AVG will only collect and retain Personal data and information from employees that is required for the effective operation of AVG or as required by law.

All AVG employees shall comply with the data privacy policies and instructions issued by AVG.

## 6. Information security

As a security centric company, AVG strives to protect information in its possession from any misuse, be it information about users, customers, business partners, employees or AVG itself. Employees are expected to protect any data, information, hardware and software in AVG's possession from unauthorized access, use, disclosure, modification, recording or destruction.

All AVG employees shall adhere to all security measures and comply with AVG's policies on security.

## 7. Paying our suppliers

AVG will pay its suppliers, subcontractors, distributors and agents in accordance with the agreed upon terms. Every supply must be documented by a written order or a written contract.

## 8. Export and Import of AVG Products

When moving across national borders, AVG products are subject to various export and import regulations. These regulations may prohibit import, export and re-export of AVG products to certain countries or even to certain individuals. Export is not only limited to goods physically crossing the borders, it equally includes software downloads or services provided from one country to another. AVG's policies are organized to support compliance with all applicable export and import laws and we aim to ensure that also our distributors and re-sellers comply with these regulations.

Export and import regulations impact not only sales transactions, but also other areas of AVG's business, such as product development, web settings, finance, customer support, etc. All employees and persons working for AVG must thus familiarize themselves with the relevant rules and involve the AVG Legal & Business Practices Department where necessary. More detailed rules are set out in AVG'S EXPORT CONTROL POLICY.

# Our Relations with Governments and Local Communities

## 1. Law, rules and regulations and local customs

AVG respects the traditions and cultures of each country in which it operates. We aim to comply with all laws and regulations wherever we operate. Where there is conflict between local laws or customs and the principles and values set out in the Code, you must apply whichever sets the highest standard of behavior.

## 2. Community relations

We will promote strong relationships with, and enhance the capacities of, the communities of which we are a part. We will consult about issues which affect them.

Employees are encouraged to participate in community and civic affairs. However, they are expected to avoid any outside personal interest or activity (whether or not for profit) that will interfere with their duties to AVG.

AVG will look for ways of supporting communities in which it operates through charitable donations and educational and cultural contributions which will be made within a policy set and reviewed by the Management Board.

## 3. Human rights

While the primary responsibility for the protection of human rights lies with governments and international organizations, where it is within our power to do so, we will promote the observance of human rights in the countries where we operate. We support the principles set forth in the Universal Declaration of Human Rights.

## 4. Care of the environment

Where it is within our power to do so, we will prevent, or otherwise minimize, mitigate and remediate any harmful effects of our operations on the natural environment and finite resources.

## 5. Political donations and lobbying

AVG does not directly or indirectly participate in party politics nor make payments to political parties or individual politicians. We represent views to government and others on matters affecting our business interests and those of shareholders, employees and others involved in our activities.

## 6. Quality of Public Disclosures

AVG has a responsibility to provide full and accurate information in our public disclosures, in all material respects, about our financial condition and results of operations. Our reports and documents filed with or submitted to the United States Securities and Exchange Commission and our other public communications shall include full, fair, accurate, timely and understandable disclosure, and AVG has established a Disclosure Committee to assist in monitoring such disclosures. See AVG's DISCLOSURE POLICY.

## 7. Tax and record keeping

No one in AVG shall knowingly avoid tax or legal obligations with respect to record keeping. We shall endeavor to make sure that we are not exploited for the purposes of tax evasion by business partners and other stakeholders.



Employees shall record all financial transactions, including those where payment is made in cash.

All taxable benefits to which employees are entitled to will be listed and declared for tax purposes.

Every employee is responsible for making an honest declaration of business expenses. These business expenses must be receipted as per our Credit Card Directive. Fraudulent behavior by employees will not be tolerated.

## Part 3

### Implementing the Code



**The Code applies to all AVG's employees and anyone acting on our behalf. AVG's business partners are also required to abide by relevant provisions of the Code.**

Adherence to the provisions of the Code is a condition of employment or engagement with AVG.



**Any violation of the Code of Conduct will be considered to be a breach of work discipline and may lead to disciplinary action.**

Managers and supervisors have an additional responsibility to ensure that employees understand the Code and values that underpin it and are informed of the requirements relating to their job.

If you have reason to believe that a provision of the code has been or is being violated, you may raise your concerns through different channels. AVG will not tolerate any kind of retaliation for reports or complaints regarding misconduct that were made in good faith. Open communication of issues and concerns by all employees and business partners without fear of retribution or retaliation is vital to the successful implementation of this Code. See AVG's WHISTLEBLOWING POLICY for a more detailed outline of reporting possibilities and an explanation of how reports are handled in AVG.

We will implement the Code throughout AVG by holding workshops for all existing employees and making ethics training part of the basic program for all employees. Ethical awareness will be maintained by regular training sessions in which relevant issues will be discussed.

AVG will monitor its ethical performance regularly. AVG's auditors may be asked to report on any practice they discover in the course of their work which appears to breach AVG's Code of Conduct.

## Waivers and amendments

Any waivers (including any implicit waivers) of the provisions in this Code for members of the Management Board and the Supervisory Board may only be granted by the Supervisory Board and will be promptly disclosed to AVG's shareholders. Any such waivers will also be disclosed in the AVG's annual report on Form 20-F. Any waivers of this Code for other employees may only be granted by the Legal & Business Practices Department.

Amendments to this Code must be disclosed in AVG's annual report on Form 20-F.