



## Code of Conduct and Code of Ethics

## Code of Conduct and Code of Ethics

### Table of Contents

Introductory Message from the CEO .....	iii
Overview of the Code .....	iv
1. Accurate Books and Records .....	1
2. Improper Influence on Conduct of Audits .....	2
3. Business Practices .....	3
4. Confidentiality .....	3
5. Public Statements and External Communications .....	5
6. Conflicts of Interest .....	6
(a) Receiving Gifts and Favors. ....	6
(b) Giving Gifts and Favors.....	7
(c) Accepting Hospitality and Entertainment.....	8
(d) Providing Hospitality and Entertainment.....	8
(e) Outside Compensation.....	9
(f) Outside Activities. ....	9
(g) Family and Personal Relationships. ....	9
(h) Business Interests.....	10
(i) Moonlighting.....	10
(j) Serving as an Officer or Director of Another Organization.....	10
7. Protecting Company Assets and Using Company Resources Responsibly.....	11
8. Security and Privacy .....	12
9. Copyrighted Software and Materials .....	13
10. No Corporate Loans to Directors or Executive Officers .....	14
11. Corporate Opportunities .....	14
12. Antitrust.....	14
13. No Money Laundering .....	16
14. Environmental Laws .....	16
15. Government Contracting .....	17
16. Trading in Company Securities .....	19
17. International Business .....	19
(a) Antiboycott Laws .....	20
(b) The Foreign Corrupt Practices Act .....	20
(c) Foreign Exchange Controls.....	21
(d) U.S. Export Controls .....	21
18. Political Contributions.....	22
19. Record Retention and Disposal.....	23
20. Workplace Standards .....	23
(a) Human Rights .....	23
(b) Equal Opportunity and Discrimination Free .....	23
(c) Anti-Harassment .....	24
(d) Anti-Retaliation Policy .....	24
21. Consequences of Violating this Code.....	25
22. Reporting of Violations Required; Methods for Reporting; Prohibition Against Retaliation .....	25
23. Disclosure of Certain Waivers .....	25

If you have questions about or if you suspect a violation of this Code, contact your supervisor, contact the Company's General Counsel, send an email to the Company's email address for Code- or compliance-related questions or concerns ([zixcompliance@zixcorp.com](mailto:zixcompliance@zixcorp.com)), submit to the Company's anonymous portal ([www.zix.ethicspoint.com](http://www.zix.ethicspoint.com)) or call the Company's anonymous toll-free hotline (800-886-9156).

## **Introductory Message from the CEO**

Zix Corporation and its subsidiaries (the “Company”) do business according to the highest ethical and legal standards, complying with both the letter and spirit of the law. The following Code of Conduct and Code of Ethics (the “Code”) will give you information about laws and Company policies essential to meeting those standards and therefore essential to making good business decisions. The Code applies both in the United States and internationally.

You should review and always act according to the Code, and every director, officer, manager and supervisor, at every level, should use reasonable efforts to ensure the people he or she supervises follow the Code. In short, managers are responsible for using reasonable efforts to detect improper behavior among their subordinates, for emphasizing to their subordinates the need to comply with the Code, and for creating a culture of compliance within their teams.

No business ethics policy or code of conduct can cover every circumstance. The Company therefore relies on you to observe the spirit of the Code and the highest ethical standards in all your dealings. The best way to comply is to act in a professional and ethical manner at all times and avoid any conduct you would not want publicly reported. Our personnel also should avoid even the appearance of impropriety.

Where appropriate, the Company’s stated policy on a particular matter may be followed by one or more guidelines for behavior. Please note that you are responsible for adhering to the Code as it is stated. The guidelines are to be used as rules of thumb to assist in your understanding and application of the Code.

Please always feel free to discuss any questions about the Code or laws affecting the Company with your supervisor or the Company’s General Counsel, who is our designated compliance officer with respect to the Code.

We also rely on you to report suspected crimes and violations of law, the Code or any other Company policy by contacting your supervisor or the Company’s General Counsel and it is your duty to do so. If your concern involves the CEO or a direct report of the CEO, you can also contact any member of the Audit Committee of the Board of Directors. The Company also maintains the following email address for asking questions or reporting concerns regarding the Code or other compliance matters: [zixcompliance@zixcorp.com](mailto:zixcompliance@zixcorp.com). Further, the Company maintains a toll-free hotline (800-886-9156) and portal ([www.zix.ethicspoint.com](http://www.zix.ethicspoint.com)) for reporting questions or concerns on a completely anonymous basis. Calls to this number may be made at any time, twenty-four hours a day.

Thank you for your cooperation and your continuing commitment to the highest standards of ethical conduct.

David J. Wagner,  
President and Chief Executive Officer

## **Overview of the Code**

The Company's Code of Conduct and Code of Ethics (the "Code") applies to regular employees (both full time and those on reduced work schedules), temporary employees, provisional employees, officers and directors, and to non-employee consultants and contractors (collectively, "Company Personnel") working for Zix Corporation or any subsidiary or affiliate of Zix Corporation. It applies to Company Personnel in the United States and around the world.

Company Personnel should at all times adhere to the highest principles of business conduct and act legally and ethically.

We all must comply with applicable United States federal, state and local laws, and with the laws of other jurisdictions in which we do business. We must make all reasonable efforts to determine what laws apply to our operations.

The Company's General Counsel leads the Company's Legal Department and has been designated as the compliance officer with respect to the Code.

### **Guidelines for Behavior**

- Conduct all aspects of the Company's business in an ethical and strictly legal manner. Obey the laws of all cities, localities, states, provinces, territories, countries and other jurisdictions where the Company does or seeks to do business.
- Remember that you are responsible for your actions. You will not be excused for misconduct because it was directed or requested by your supervisor or someone else.
- Remember that you are responsible for the actions of employees reporting to you and any contractors working on your behalf.
- Remember that your conduct with customers, suppliers, the public and other employees and contractors must reflect the highest standards of honesty, integrity and fairness.
- Recognize that even the appearance of misconduct or impropriety can be very damaging to the Company's reputation, and act accordingly.

## ZIX CORPORATION

### CODE OF CONDUCT AND CODE OF ETHICS

#### 1. Accurate Books and Records

The Company must keep accurate business records. While only a few Company Personnel actually maintain accounting records, many of us help keep the Company's records and it is important that they be kept and maintained accurately and completely.

Company Personnel might use business expense accounts or obtain reimbursement for business expenses. Items to be reimbursed must be properly documented and recorded accurately in expense reports. If you are not sure whether a potential expense is properly reimbursable, contact the Operations Controller or the Chief Financial Officer.

Company Personnel should never allow a document or business record to include, or to omit, a date with the intent of creating the inference that the document or record was executed, created, accepted or transmitted on the Company's behalf at a time other than when that act or event actually occurred. This does not prohibit Company Personnel from including in any document a date, such as an "effective as of" date, that is before or after the actual execution date, so long as the document also clearly shows the actual execution date.

Company Personnel with accounting and finance responsibilities, and others who keep the Company's official records, have added professional and legal responsibility. These individuals must maintain books, records, accounts and financial statements in a manner that is both accurate and auditable. It is against Company policy to make entries that intentionally conceal or disguise the true nature of any transaction.

No funds or accounts should be kept for purposes not fully and accurately disclosed. Unrecorded or "off the books" funds or assets should not be kept for any purpose. The Company's books, records and accounts must reflect all transactions of the Company and all other events that are the subject of a specific regulatory record-keeping requirement.

You must follow all processes and controls that provide for the accuracy and reporting of financial results. For example, Zix has a defined process for management to approve pricing and certain other agreement terms and conditions. Also, the board of directors has authorized only certain individuals to make commitments. Commitments include contracts, purchase orders, statements of work, and other obligations or promises to perform.

You should be aware that falsifying or making a false entry in the Company's books or records, or altering or tampering with such records, may violate federal criminal laws and subject the individual offender to fines and/or imprisonment.

In addition, the Foreign Corrupt Practices Act requires companies to make and keep books and records that accurately detail and fairly reflect transactions and dispositions of assets both abroad and in the U.S. This is to prevent U.S. companies from: (1) failing to record improper transactions (for example, keeping a payment to a foreign government official "off the books" entirely); (2) falsifying records to conceal improper transactions that are properly recorded (such as creating false documentation to make an illegal payment to a foreign

government official appear to be legal); and (3) accurately recording the existence of a payment to a foreign government official but failing to reveal the improper purpose of the payment.

Any person having information or knowledge about any hidden fund or asset, or any false, misleading or artificial accounting or other entry in the books or records of the Company, or any inappropriate payment, or who has questions or concerns about questionable accounting or auditing matters, should promptly call the General Counsel or make an anonymous report at 800-886-9156 or [www.zix.ethicspoint.com](http://www.zix.ethicspoint.com).

### **Guidelines for Behavior**

- Prepare all Company business documents promptly, completely, honestly and accurately.
- Record all Company transactions promptly, completely, honestly and accurately. Keep records that completely and accurately reflect the Company's financial affairs. Follow the *Employee Handbook* policies and procedures for contractual commitments. The *Employee Handbook* may be found on the Company's internal web site.
- Do not allocate costs to contracts contrary to applicable contract provision, laws, regulations or generally accepted accounting principles.
- When submitting expense reports, carefully follow the Company's expense report guidelines.
- Never intentionally create the inference that a document or record was executed, created, accepted or transmitted on the Company's behalf at a time other than when that act or event actually occurred.
- Do not make or record entries that conceal or disguise the nature of any transaction.
- Do not keep unrecorded or "off the books" funds or assets.
- Do not falsify, alter or tamper with Company books or records.
- Timely report any suspected false, inaccurate or misleading entries in the Company's books or records.
- Do not override processes and controls that provide for the accuracy and reporting of financial results. If you believe that you need to deviate, you must obtain written approval from the Chief Financial Officer or Operations Controller.

## **2. Improper Influence on Conduct of Audits**

**External Auditors.** You must not take any action to fraudulently influence, coerce, manipulate, or mislead any independent public or certified accountant engaged in the performance of an audit of the financial statements of the Company.

**Internal Staff.** You must also not take any action to fraudulently influence, coerce, manipulate, or mislead any member of the Company's internal finance or accounting staff engaged in the preparation of financial statements or the performance of an internal audit or investigation.

**Cooperation in Audits.** You must cooperate in any audit or investigation being conducted by the Company's external auditors or internal finance or accounting staff. You can ask your supervisor if you have questions about the appropriate scope of an audit.

### **Guidelines for Behavior**

- Do not take any action to fraudulently influence, manipulate or mislead any external auditor or any member of the Company's finance or accounting staff.
- Fully cooperate with the Company's auditors and its finance and accounting staff.

## **3. Business Practices**

**Ethical Behavior.** You are expected to be fair, honest and forthright in every dealing with customers, suppliers and others. Every Company business practice and transaction should comply with both the letter and spirit of the law.

**Contracts.** To ensure that the Company meets its contractual commitments, it is important that you know, understand and comply with the terms of the Company agreements in which you are involved.

**Technologies.** While it is often difficult to predict the evolution of our technologies, it is important to develop the best possible understanding of our technologies and be sure to promise only what we will be able to deliver.

**Advertising.** The Company's advertising and marketing materials must be fair and honest. In making claims about the Company's products or services, or comparing our products and services to those of competitors, you must be sure to make statements that are accurate, objective, and verifiable.

### **Guidelines for Behavior**

- Be fair and honest in all your dealings with those inside and outside the Company.
- Know, understand and comply with the terms of the Company's contractual agreements.
- Know and understand the qualities and capabilities of our products and services, and the products and services of our competitors. Do not misrepresent those capabilities and qualities.

## **4. Confidentiality**

Almost everyone who works on the Company's behalf has access to the Company's confidential information, much of which is extremely valuable. This includes information



regarding the Company's trade secrets, its products and services, its intellectual property, its customers, its employees, its finances, its business prospects, and its methods of doing business. The Company expects Company Personnel to use this information only in a manner consistent with the best interests of the Company and in a manner that preserves its confidentiality. Among other things, Company Personnel should use reasonable efforts to communicate confidential information via secure email or via other electronic means that are secure. Company Personnel should also comply with the policies on public statements and external communications described in section 5 below.

Nothing in the Code of Conduct, or any other Zix policy or agreement, is meant to discourage or prevent you from lawfully reporting violations of law or instances of fraud, waste, or abuse to appropriate law enforcement or other government agencies.

**Trade Secrets.** Trade secrets are any formulas, patterns, devices or compilations of information used in one's business that give one an opportunity to obtain an advantage over competitors who do not know or use them. Trade secrets can include: (a) intellectual property, including, but not limited to, inventions, ideas, conceptions, patent disclosure forms and/or applications, and potential trademarks; (b) information received from and/or compiled about customers (customer lists, preferences, and related customer information); (c) technical, business or financial information; (d) pricing, plans, systems, methods, strategies, designs, programs, software source code and object code, procedures, books, or records relating to the Company's operations; and (e) all other records relating to the Company's business activities, practices and procedures.

You should never disclose the company's trade secrets or confidential information to anyone outside the Company (including family members and friends) unless they have a current confidentiality agreement that applies to the information being disclosed, and they have a need to know the information in their work for the Company. In addition, Zix policy may require a prior security assessment of the outside party that is to receive the confidential information. Be sure to consult with the General Counsel and conduct the appropriate due diligence and have the appropriate agreement in place before you disclose the information. Consistent with the foregoing, you should be discreet with nonpublic information and refrain from discussing it in public places where it can be overheard, such as elevators, restaurants and on public transportation. This policy applies without regard to the materiality of the information that may be involved, but disclosure of material information may also violate insider trading laws and related Company policy.

Furthermore, you should never use the Company's trade secrets or confidential information, except as directed by the Company. The obligation not to disclose or use trade secrets or confidential information continues after your work for the Company has ended, regardless of how it ended. Upon your departure from the Company, whether voluntary or involuntary, you are required to return to the Company any trade secret or confidential information in your possession.

**Vendors' and Customers' Confidential Information and Trade Secrets.** You should never disclose or improperly use the confidential information of the Company's vendors and customers. For example, if the Company licenses another company's software, or is given sample software by a customer, Company Personnel must use the software only as permitted by the applicable license. Company Personnel must not give the software, or disclose

information regarding the software, to anyone except those who are permitted access to the software by the applicable license agreement. No one may use the software, or information relating to it, except those working for the Company and as directed by the Company.

### **Guidelines for Behavior**

- Do not discuss the Company's, or its vendors' or customers' trade secrets or confidential information other than with those working for the Company who need to know such information.
- Only use the Company's, or its vendors' or customers' trade secrets or confidential information as specifically authorized. Any disclosure may require a prior confidentiality agreement and/or security assessment.
- When discussing Company trade secrets or confidential information with persons who need to know, only disclose as much as is reasonably necessary to accomplish your purpose.
- Always be careful when discussing Company trade secrets or confidential information where others might overhear, such as in an elevator or over a cellphone or speakerphone.
- Always protect Company trade secrets and confidential information from discovery by others. Don't leave printed material lying about and use proper computer security procedures.
- Use secure email or other secure means of electronic transmission.
- Upon departure from the Company, return to the Company all trade secret or confidential information in your possession.

## **5. Public Statements and External Communications**

Statements and communications by Company Personnel to those outside the Company must be made in strict compliance with the Company's policies regarding public statements and external communications. Those are located in the Company's *Employee Handbook* on the employee portal and in its *Policy on the Prevention of Insider Trading and Selective Disclosure* on the Company website under the [Corporate Governance page](#). Those policies include guidelines on work-related use of online social networks. In addition, these policies provide that only specifically-authorized employees are permitted to make external statements on behalf of the Company about material non-public information or to the investment community. If you are contacted by a reporter, blogger, analyst, shareholder, or other member of the public requesting comments on behalf of Zix on a topic for which you are not authorized to speak on behalf of the company, do not respond. Instead, refer the inquiry to the General Counsel. Violation of these policies may lead to serious adverse consequences for you and the Company. Thus, it is imperative that you understand and abide by these policies at all times.

### **Guidelines for Behavior**

- Familiarize yourself with the Company's *Employee Handbook* policies regarding public statements and communications, and use of "social media," and adhere to their requirements.

## 6. Conflicts of Interest

You must avoid any conflict between your personal interests and the interests of the Company that would influence your objective and independent judgment on behalf of the Company. Such conflicts must be avoided in dealing with suppliers, customers and all other organizations or individuals. Company Personnel are expected to put the interests of the Company and its stockholders before their personal interests.

Even the mere appearance or suggestion of impropriety could undermine the Company's reputation as an ethical company. Although it is not practical to list all situations that might result in a conflict of interest, some examples are provided below.

### **Guidelines for Behavior**

- Always exercise fair and independent judgment and always strive to serve the best interests of the Company, rather than your personal interests. When confronted with a potential conflict of interest, ask yourself whether your actions might create the appearance of impropriety. If the answer is "yes," or even "maybe," avoid the behavior.
- Do not accept or give gifts or favors whose value exceeds a moderate, reasonable and customary amount without approval from the General Counsel.
- Do not accept or provide extended or unusual hospitality in any form without approval from the General Counsel.
- Avoid being involved with a business that competes or does business with the Company, unless your involvement is at the Company's direction and for its benefit.
- Never use the Company's name or resources for any outside activity without the express written permission of the General Counsel.

If you are interested in serving as an officer or director of another business or organization, determine, based on the guidance in Section (j) below, whether permission is required from your manager and the Company's General Counsel, and if so, obtain it before accepting the position.

### **(a) Receiving Gifts and Favors.**

You can only accept gifts, favors, personal discounts or similar arrangements from any person or entity that has or seeks a business relationship with the Company if their aggregate value is a moderate, reasonable and customary amount, and if they meet the following criteria:

- they are consistent with accepted business practices
- the frequency from any one person or entity is not excessive or unreasonable
- they cannot be reasonably construed as payment or consideration for influencing or rewarding a particular decision or action
- they are not securities, cash, cash equivalents, or a form similar to those

- they do not violate applicable law
- their public disclosure would not embarrass the Company

Offers of any gifts, favors, personal discounts or similar arrangements that would likely violate this Code should be reported to the General Counsel – even if you refuse the offer.

The General Counsel will consider, on a case-by-case basis, whether accepting gifts, favors, personal discounts or similar arrangements with an aggregate value greater than a moderate, reasonable and customary amount would be permissible under this Code. Requests should be submitted to the General Counsel in writing.

You can never accept a gift of cash or securities (i.e., stocks, options, bonds or other forms of securities) regardless of the value. You cannot accept commissions or profit shares or profit interests. You cannot accept personal loans or financing arrangements (other than with established banking or financial institutions at prevailing market rates).

You cannot purchase initial public offering (or “IPO”) shares (sometimes called “friends and family” shares) in a company that is, or could reasonably be expected to seek to be a supplier, customer, competitor or partner of the Company, unless you first receive written permission from the General Counsel. This prohibition also applies to those with whom you have a family or close personal relationship.

#### **(b) Giving Gifts and Favors.**

You can only offer or give gifts, favors, personal discounts or similar arrangements for business or to a business partner if their aggregate value is a moderate, reasonable and customary amount, and if they meet the following criteria:

- they are consistent with accepted business practices
- the frequency of offers or gifts to any one person or entity is not excessive or unreasonable
- they cannot be reasonably construed as payment for influencing or rewarding a particular decision or action
- they are not securities, cash, cash equivalents or a form similar to those
- they do not violate applicable law
- their public disclosure would not embarrass the Company

Offering or providing gifts, favors, personal discounts or similar arrangements to government representatives (U.S. or non-U.S.) is not permitted without the prior written approval of the General Counsel. Many countries’ laws define facilitation payments made to government officials as bribes. These are payments made to obtain government action, such as processing government papers or supplying utility services. Unless it is a legally permissible expediting fee for which you receive an official government receipt, we do not make facilitation payments to any government official. These prohibitions on providing gifts and favors to

governmental officials also applies to third parties who provide services on our behalf, such as suppliers, agents, contractors, consultants, and distributors. See also the discussions below under Foreign Corrupt Practices Act (Section 14(b)) and Government Contracting (Section 12).

The General Counsel will consider, on a case-by-case basis, whether offering or giving gifts, favors, personal discounts or similar arrangements with an aggregate value that is not moderate, reasonable or customary would be permissible under this Code. Requests should be submitted to the General Counsel in writing.

### **(c) Accepting Hospitality and Entertainment.**

You must not accept, either directly or indirectly, unusual or extended hospitality or entertainment in any form, from any person or entity that has or who seeks a business relationship with the Company. This includes, but is not limited to, entertainment at a resort or similar accommodations, or payment of personal or business expenses.

However, Company Personnel (i) may accept entertainment, such as golf outings, theater, meals, beverages, sporting events, etc., regardless of location, as acceptable business courtesies, and (ii) may accept offers of transportation, lodging and entertainment in conjunction with out of town business activities, provided the foregoing meet the following criteria:

- they are consistent with accepted business practices
- their frequency from any one person or entity is not excessive or unreasonable
- they cannot be reasonably construed as payment or consideration for influencing or rewarding a particular decision or action
- they do not violate applicable law
- their public disclosure would not embarrass the Company

The General Counsel is available to advise Company Personnel, on a case-by-case basis, whether they are permitted under this Code to accept specific offers of hospitality or entertainment, including in situations where compliance with the foregoing criteria is unclear or ambiguous. Requests should be submitted to the General Counsel in writing.

Offers of any gifts, favors, personal discounts or similar arrangements that would likely violate this Code should be reported to the General Counsel – even if you refuse the offer. This prohibition also applies to those with whom you have a family or close personal relationship.

### **(d) Providing Hospitality and Entertainment.**

You must not offer or provide at the Company's expense or on its behalf, either directly or indirectly, unusual or extended hospitality or entertainment in any form, to any person or entity. This includes, but is not limited to, entertainment at a resort or similar accommodations, or payment of personal or business expenses.

However, Company Personnel (i) may offer and provide entertainment, such as golf outings, theater, meals, beverages, sporting events, etc., regardless of location, as acceptable business courtesies and (ii) may offer and provide transportation, lodging and entertainment in conjunction with out of town business activities, provided the foregoing meet the following criteria:

- they are consistent with accepted business practices
- their frequency from any one person or entity is not excessive or unreasonable
- they cannot be reasonably construed as payment or consideration for influencing or rewarding a particular decision or action
- they do not violate applicable law
- their public disclosure would not embarrass the Company

Offering or providing meals, beverages, entertainment and other forms of hospitality to government representatives (U.S. or non-U.S.) is not permitted without the prior written approval of the General Counsel. See also the discussion below under Foreign Corrupt Practices Act (Section 14(b)) and Government Contracting (Section 12).

The General Counsel is available to advise Company Personnel, on a case-by-case basis, whether they are permitted under this Code to provide specific offers of hospitality or entertainment, including in situations where compliance with the foregoing criteria is unclear or ambiguous. Requests should be submitted to the General Counsel in writing.

#### **(e) Outside Compensation.**

Other than compensation you receive from the Company, you must not directly or indirectly accept any form of payment for services you perform on behalf of the Company. For example, you must not individually charge or accept fees or other compensation from a third party for services you are required to provide as part of your job at the Company.

#### **(f) Outside Activities.**

The Company requires you to avoid all outside activities or financial interests that conflict with your responsibilities to the Company and its stockholders or the exercise of your independent and objective judgment on the Company's behalf. Unless specifically authorized in writing by the General Counsel, no outside activity may use the Company's name or resources.

#### **(g) Family and Personal Relationships.**

You must ensure that those with whom you have a family or close personal relationship and who also work for the Company are treated without favoritism or other inappropriate influence in regards to work assignments, appraisals, promotions, contracting and compensation decisions.



## **(h) Business Interests.**

You and your immediate family (spouse, domestic partner, parents, children and their spouses), and those with whom you have close personal relationships must not have business interests in any organization doing business with, or seeking to do business with, the Company, except where such an interest is comprised of securities in widely-held corporations that are quoted and sold on the open market.

You and your immediate family members cannot have any financial interest, including ownership of securities, in any business that is a significant competitor of the Company or any of its subsidiaries, other than as a result of investment in a mutual fund or other managed stock portfolio in which you and your immediate family have no effective control over individual securities investment decisions.

You, your immediate family members, and those with whom you have close personal relationships, cannot buy, sell or lease, directly or indirectly, through another company, firm or individual, any kind of property, facility or equipment to or from the Company without the prior written approval of the General Counsel.

## **(i) Moonlighting.**

The Company does not prohibit Company Personnel from maintaining other employment. Nonetheless, all Company Personnel, with the exception of temporary employees, who wish to work for another company (including working for your own business) must receive written permission from their supervisor. Such activities must not interfere with your work for the Company and the Company must always be considered your primary employer. Further, the other activities must not constitute a conflict of interest with, breach a fiduciary duty to, or be otherwise harmful to, the Company. Examples of conflicts of interest include working for a competitor or for a company doing business with, or seeking to do business with, the Company.

You and your immediate family and those with whom you have a close personal relationship cannot be employed by, or act as an agent or broker for, organizations doing, or seeking to do, business with the Company, except if they are not in a position to influence or appear to influence the relationship with the Company.

## **(j) Serving as an Officer or Director of Another Organization.**

If you wish to serve as an officer or director of an organization outside of the Company, you must receive prior written permission from your supervisor and the General Counsel (except as to a charitable/non-profit organization, in most cases—see below).

Activities on behalf of organizations outside the Company must not interfere with your work for the Company and must not constitute a conflict of interest with, breach a fiduciary duty to, or be otherwise harmful to, the Company.

The Company will not indemnify, or provide liability insurance coverage for, Company Personnel serving as directors or officers of any organization outside the Company, except

when service is at the Company's written request and for its benefit, as provided in the Company's bylaws.

In most cases, Company Personnel do not need to obtain permission to serve as an officer or director of a charitable/non-profit organization. Examples of charitable/non-profit organizations for which permission generally will not be required are:

- Educational and extracurricular support groups (such as PTA, booster clubs, alumni associations, educational and scholarship foundations)
- Religious organizations (such as churches, synagogues, mosques and their governing bodies)
- Homeowners associations (formed to govern, maintain, or preserve residential neighborhoods)
- Professional associations (composed of individuals working within their professions for networking and career development purposes)
- Charitable, support or special interest organizations and clubs not related to the Company's business in any way (such as health research or support groups, lifestyle support groups, clubs related to sports, hobbies or cultural events)

Permission is required if the charitable/non-profit organization is in some way a competitor, vendor, supplier or customer of the Company's, or if there is some reason that the organization might appear to have a conflict of interest with the Company.

#### **(k) Inventions**

Developing or helping to develop outside inventions (including software and technology) that either relate to Zix's existing or reasonably anticipated products or services, relate to your position at Zix, or are developed using Zix corporate resources may create conflicts of interest and be subject to our confidentiality, assignment of inventions, or other employment agreements. If there are any potential conflicts or potential issues involving intellectual property ownership involving an outside invention or other intellectual property, you must consult the Zix Legal Department.

### **7. Protecting Company Assets and Using Company Resources Responsibly**

You must safeguard the Company's assets and our customers' and vendor's assets for which we are responsible. Use and maintain such assets with care and respect, while guarding against waste and abuse. Examples of assets to be safeguarded include cash, supplies, software, patents, trademarks, copyrights, equipment, furnishings and Company records.

Company trademarks should not be used on non-Company materials or as part of any domain name that is not registered, used and controlled by the Company. Similarly, the Company's copyrighted works, such as documentation, graphics, images, videos, audio recordings and software, should only be used for business purposes pursuant to the Company's policies.



The use of Company time, materials, assets or facilities for purposes not directly related to Company business, or the removal or borrowing of Company property without permission from your supervisor, is prohibited. This includes property that has been identified as “scrap”, garbage or destined for recycling.

Notwithstanding the foregoing, reasonable, limited and incidental use of Company resources for personal reasons is permitted, as long as such does not compromise the Company’s interests or adversely affect job performance. See Section 4.10 of the Company’s *Employee Handbook*, which may be found on the Company’s internal web site. Personal use of Company resources should never result in significant added costs, disruption of business, or other material disadvantage to the Company.

Zix’s communications facilities (including our network and the hardware that uses it, such as computers and mobile devices) are a critical aspect of our Company property, both physical and intellectual. Be sure to follow all security policies. If you have any reason to believe that our network security may have been violated – for example, you lose your laptop or smart phone or think that your network password may have been compromised – promptly report this incident to Information Security.

While we respect the privacy of Company Personnel, you should not assume that your desk, cubicle, office, or use of computer devices or telephone equipment is private or confidential. Subject to applicable laws, Zix may search and review both incoming and outgoing communications and all device information, including any password-protected employee communications.

### **Guidelines for Behavior**

- Maintain Company assets with care.
- Do not waste or abuse Company assets.
- Do not use Company assets for non-Company purposes (unless within the “reasonable, limited, and incidental” exception noted above).
- Do not remove or borrow Company assets without permission.
- Protect the Company’s intellectual property.
  - Promptly report any suspected security violation, data breach or compromise.

## **8. Security and Privacy**

In the course of its business, the Company stores and retains confidential information of customers, vendors and their employees and clients. The Company will protect such customer and vendor information to the same degree that it protects its own confidential information. Company Personnel may only access customer and vendor data to the extent necessary to provide services to such customer or vendor.

Many countries have privacy laws that govern the appropriate collection and use of personal information, which includes any information relating to an identifiable individual such as an

email address, physical address, payment card information or government identification number. The Company is committed to protecting the reasonable privacy expectations of everyone with whom we do business, including our customers, vendors, consumers and employees. We believe responsible stewardship of personal information helps maintain trust in the Company and in our products and services. We recognize the importance individuals place on the ability to control the collection and use of their personal information. All Company Personnel have a responsibility to comply with our privacy and security requirements.

If you become aware of any instance of inappropriate handling of information or data or any security breach, please report it immediately as described in Section 22 of the Code.

### **Guidelines for Behavior**

- Maintain and protect customer and vendor data with care.
- Do not use customer or vendor data for purposes other than providing Company services to such customer or vendor.
- Immediately report any instance of inappropriate handling of information or data or any security breach.

## **9. Copyrighted Software and Materials**

Federal copyright laws provide that the owner of copyrighted software has the exclusive right to reproduce the software, prepare derivative works based upon the software, and distribute copies of the software to the public. It is a violation of copyright law to make, or authorize the making of, another copy or adaptation of any third party software, except that one copy may be made for back-up or archival purposes.

**Software.** In conducting its business, the Company acquires numerous third party software products. We generally do not own these products, but have obtained a license granting us the limited right to use them. Unless the Company has been specifically authorized by the owner of the software, and the authorization is stated in the relevant license, we do not have the right to reproduce third-party software in any manner. A simple rule: Unless the owner has specifically agreed otherwise, a separate software license is required for each computer or server. This rule is violated when software is taken home and loaded onto personal computers or when software is copied for co-workers, even if used at work, unless the license specifically authorizes such copying.

**Other Materials.** Company Personnel must not use Company resources to copy, download or share copyrighted materials, whether for personal or business use, unless they are appropriately licensed and then only as specifically authorized by the Company.

Violation of copyright laws can be very costly. Legal actions for copyright infringement can result in awards of actual and punitive damages and attorney fees. Those who, in any way, wrongfully acquire or copy third party software or other materials will be subject to discipline, up to and including termination of employment. People who violate copyright laws can also be subject to civil penalties of up to \$215,000. In certain cases, criminal fines and years of imprisonment might be imposed.

### **Guidelines for Behavior**

- Never copy software you use at the office, or load it onto your home computer, without a proper license and Company permission.
- Never photocopy copyrighted written materials without a proper license and Company permission.
- Never download or share digital images or other digital files without a proper license and Company permission.

### **10. No Corporate Loans to Directors or Executive Officers**

The Company will not provide or guarantee loans to any Company directors or executive officers that would be prohibited by federal law.

### **Guidelines for Behavior**

- Do not make loans or extend credit to any Company director or officer without prior approval from the General Counsel.

### **11. Corporate Opportunities**

You and your immediate family members must not directly or indirectly engage in any transaction for personal gain (financial or otherwise) using information obtained because of your relationship with the Company. Business opportunities discovered through your work belong first to Zix, unless otherwise agreed to in writing by an authorized Zix officer.

### **Guidelines for Behavior**

- Do not use for personal gain (financial or otherwise) any information obtained through your employment or other relationship with the Company.

### **12. Antitrust**

Antitrust laws prohibit business practices that interfere with free and open competition among companies. Many business decisions raise potential antitrust issues. Even informal, unwritten, or unspoken business arrangements can violate the law. Violations can involve competitors, suppliers, distributors, or customers, or can result from our own unilateral actions. Because of the complex and evolving nature of antitrust laws, and the severe civil and criminal consequences of violating them, you should consult with our General Counsel with questions about whether a commercial practice or communication is appropriate.

Please be alert to the following:

**Agreements with Competitors.** Antitrust laws generally prohibit agreements or understandings among competitors over competitive matters (such as the prices they set in the marketplace to common customers). An “agreement or understanding” can be written, spoken, or unspoken. Even a wink of the eye or a nod of the head can be enough as long as both parties have agreed. The Company must never enter into any such arrangement. Bear

in mind that where competitors act separately on competitive matters, but in a parallel fashion following communications or meetings with one another (such as raising prices by the same amount), a court might infer an illegal agreement.

**Price-Fixing.** Explicit or implicit agreements or understandings between competitors that affect prices they charge might constitute illegal price-fixing.

**Division of Markets or Customers Among Competitors.** Agreements by competitors to divide markets or allocate customers are illegal. Except under some circumstances, it is also unlawful for competitors to agree not to bid on contracts or to coordinate their bids.

**Group Boycotts or Refusals to Deal.** Agreements among companies not to deal with other companies or individuals, or to deal with them only on certain terms, are generally illegal. A company cannot agree with competitors about joint commercial action against any third parties without facing the risk of a boycott claim.

**Resale Price Maintenance.** As a manufacturer or supplier, a company generally cannot set a floor as to the prices at which independent distributors or customers resell its products or services.

**Tie-Ins.** Where a company has market power over a product, it may not condition the sale of the product on the buyer's purchase of a second product from it, or its agreement not to purchase a product from another supplier.

**Exclusive Dealing.** In general, a company with market power must not sell its products to distributors or customers on the condition that they not deal in competitors' products, where that arrangement reduces competition or makes its competitors' products less available to prospective buyers.

**Predatory Practices.** It is illegal to acquire or maintain market power through illegitimate or anti-competitive means. A company with a dominant position in a given market must not use "predatory" practices, such as below cost pricing, to try to eliminate existing competitors or discourage new ones.

**Reciprocity Agreements.** Another arrangement that can violate antitrust laws is a "reciprocity agreement". This exists when a company conditions its purchase of goods or services from another company on the latter's purchase of the company's goods or services.

**Penalties.** Successful plaintiffs in antitrust lawsuits can collect up to three times actual damages, attorney fees, and costs. A criminal antitrust violation is a felony. For individuals, a court may impose a criminal fine of up to \$350,000, a sentence of up to three years in prison, or both. A corporation can be fined up to \$10 million.

Even if a company succeeds in defending an antitrust lawsuit, the expense of defending such claims can be staggering. Legal fees and expenses can amount to tens of millions of dollars, and the interruption of business and/or distraction of management can cost millions more. A company can also suffer harmful adverse publicity. Thus, avoiding potential violations of the antitrust laws is very important.

## **Guidelines for Behavior**

- Never communicate or enter into any agreement or understanding – whether formally, informally or hypothetically – with a competitor regarding a competitive matter. This prohibition includes oral, written and electronic communication. It also includes discussing pricing, functionality, marketing programs or product/service features with competitors, except where the matter has been explicitly discussed with and approved in advance by the General Counsel.
- Avoid situations that may lead to a potential claim that you violated the antitrust laws. Be very careful concerning what topics are discussed if you participate in any industry groups. If you are participating in such a meeting and a prohibited topic arises, leave the discussion or meeting immediately. If minutes are kept of the meeting, they should reflect the fact that you have departed, without stating any reason for your departure. If minutes are not kept of the meeting, write a memo about the meeting and your departure and send it to the General Counsel. Remember, you must always be alert in your meetings with competitors.
- Daydreaming in a meeting where prohibited topics are discussed can inadvertently land you in a conspiracy. Your mere presence might imply that you were involved in illegal activity.
- Do not agree to a boycott of any business.
- Do not participate with other companies in joint negotiations or joint purchasing agreements for goods or services, unless approved in advance by the General Counsel.
- Do not enter into any tie-in agreements that require our customers to accept unwanted goods or services unless approved in advance by the General Counsel.
- Do not enter into any reciprocity agreements that condition the Company's purchase of a supplier's goods and services upon the supplier's purchase of the Company's goods or services, unless approved in advance by the General Counsel.
- Do not require customers or suppliers to avoid dealing with any of the Company's competitors as a condition for obtaining any particular goods or services from the Company or doing business with the Company, unless approved by the General Counsel.

### **13. No Money Laundering**

Zix policies prohibit money laundering, in which legitimate business is used to conceal funds generated by illegal activities to make them appear legal. Only do business with reputable customers and vendors. Support due diligence efforts to investigate potential partners prior to starting a new business relationship. Never provide inaccurate information about a business partner or potential business partner.

### **14. Environmental Laws**

The Company is committed to protecting the environment and communities in which it operates. The Company uses all commercially reasonable efforts to comply with all environmental laws and regulations. All Company Personnel should take responsibility for

recognizing environmental issues and seeking advice regarding compliance where necessary.

Various laws and regulations govern a wide array of environmentally sensitive issues worldwide. These include the treatment, storage, disposal and transportation of hazardous materials and wastes; emission of air and water pollution; conserving energy, water, raw materials and other natural resources; and documentation of environmental impacts of our operations.

Environmental requirements, like safety requirements, vary with the situation and can be complicated. You are, however, responsible for recognizing potential environmental issues and seeking advice on the specific requirements that may apply from your supervisor or the General Counsel. Such issues are particularly likely to arise in connection with leasing or purchasing facilities, manufacturing or packaging of products, or disposing of waste materials, including equipment.

### **Guidelines for Behavior**

- Stay aware of your working environment, especially when you are involved in leasing or purchasing facilities, manufacturing or packaging of products, or disposing of waste materials, including equipment.
- If you believe that an environmental hazard exists or that environmental guidelines are not being followed, you should immediately report the situation to your supervisor and to the General Counsel.

## **15. Government Contracting**

As a contractor or supplier to the United States government and agencies thereof, the Company must comply with a number of special federal statutes and regulations. A brief description of some of them follow. Note that violations of many federal laws relating to government contracting carry criminal penalties.

**Improper Payments.** Federal law and the Company's policy prohibit giving, promising, offering or paying, directly or indirectly, bribes, gifts, kickbacks, gratuities, entertainment or other things of value to government employees and contractors.

The U.S. has strict rules that severely limit the ability of a company or its employees to give gifts and business courtesies to a U.S. government official and also limit the official's ability to accept such gifts. Consult the Legal Department before giving any such gifts or business courtesies and obtain all required pre-approvals. Zix's prohibition against offering, promising, or paying bribes also applies to third parties who provide services or act on our behalf, such as suppliers, agents, contractors, consultants, and distributors. You must never engage a third party whom you believe may attempt to offer a bribe in connection with Company business.

**Accurate Reporting.** When reporting data of any kind to the government or prime contractors in connection with government contract or subcontract proposals, pricing, or subcontract modifications, the Company's representatives must not: (1) submit data that is



in any way inaccurate, incomplete or misleading; or (2) falsify, alter or distort information to be submitted to the government. This includes time sheets or other time records, cost reports, expense reports, pricing proposals, certifications relating to cost or pricing data, or requests for payment of government-related funds. Falsification includes changing a document after it has been signed or otherwise completed, unless the responsible government counterpart has agreed to the changes and the changes are properly noted on the document.

**National Security.** Access to classified national security information is restricted to those with proper government clearance and a “need to know”. Company Personnel and all those working on its behalf are expected to strictly obey all national security laws and rules.

**Government “Source Selection” Information.** Company Personnel and all those working on its behalf may not solicit or receive U.S. government “source selection” information other than with proper authorization and through official channels. U.S. government source selection information includes, but is not limited to, listings of offers and prices, identification of bidders prior to bid openings, technical evaluation plans, technical evaluations of competing proposals, competitive range determinations, and evaluations and recommendations.

**Employment of Former Government Employees.** Federal law establishes a number of post-employment restrictions on former government employees. The Company may not discuss employment possibilities with any current U.S. government employee until he or she has filed a disqualification statement notifying his or her government supervisor of the proposed discussion. The government employee must provide a copy of the statement to the Company.

Zix employees have whistleblower rights under federal, state and provincial laws and regulations. US federal contacting statutes and regulations, including 41 U.S.C. 4712 and section 3.908 of the Federal Acquisition Regulation prohibit Zix from firing, demoting or otherwise discriminating against you because you reported information to appropriate government authorities or law enforcement agencies, supervisors or others within the Company with authority to investigate potential wrongdoing.

### **Guidelines for Behavior**

- Never promise, offer or pay, directly or indirectly, a bribe, gift, kickback, gratuity, entertainment, thing of value or other improper payment to a government employee or contractor or third party acting on their behalf. If you think a government employee or contractor or third party might have solicited a bribe, gift, kickback, gratuity, entertainment, thing of value or other improper payment, notify the General Counsel immediately.
- Always submit data and other information to the government that is complete and accurate.
- Obey all national security laws and rules when dealing with classified information.
- During any federal contract procurement process, do not seek or accept, directly or indirectly, any “source selection information”.

- Do not discuss employment opportunities with government employees without consulting the General Counsel and obtaining a copy of the government employee's disqualification statement.

## 16. Trading in Company Securities

You are responsible for complying with the Company's *Policy on the Prevention of Insider Trading and Selective Disclosure*, which is found on the Company website under the [Corporate Governance page](#).

Federal securities laws generally prohibit individuals from buying or selling securities of a public company while they possess material nonpublic information (also called "inside information") about that company. Material nonpublic information is any information not generally known to the public that a reasonable investor would find significant in executing transactions to buy or sell securities in a company. Individuals are also prohibited from passing inside information to others (which is called "tipping"). Thus, Company Personnel who are aware of any material nonpublic information regarding Zix must not trade in or execute transactions in Zix securities; disclose that information to others; or otherwise use the information for personal advantage or the personal advantage of others. Moreover, the securities laws require full, fair, accurate, timely, and understandable disclosure in the company's reports and documents filed with the SEC and other public communications. Violation of these laws may lead to substantial legal penalties on the involved individuals as well as the Company. As a result, it is imperative that Company Personnel abide by, and ensure family members abide by, the Company's *Policy on the Prevention of Insider Trading and Selective Disclosure*.

### Guidelines for Behavior

- Familiarize yourself with the Company's *Policy on the Prevention of Insider Trading and Selective Disclosure* and adhere to its requirements.

## 17. International Business

The Company is based in the United States, but its commitment to the highest ethical and legal standards extends to its business dealings worldwide. Many U.S. laws apply to the Company's non-U.S. subsidiaries and business activities, as well as to those in the U.S. Several laws that focus on international business activities that warrant particular emphasis. You should be aware of the following areas of potential concern:

- Participation in or cooperation with a foreign boycott;
- Direct or indirect payments or gifts to foreign government officials or anyone affiliated with a foreign government or a commercial enterprise owned by a foreign government (such as an airline);
- Evasion of foreign currency exchange or tax provisions;
- Violation of U.S. economic sanctions against foreign countries; and



- Exports, including sales and demonstrations to foreign nationals, foreign companies or their U.S. based subsidiaries.

#### **(a) Antiboycott Laws**

Antiboycott laws prohibit U.S. companies and their foreign affiliates and subsidiaries from complying or cooperating with boycotts imposed by foreign countries that are not supported by the U.S. government, primarily certain countries' boycott of Israel. Antiboycott laws also require the Company to report to the U.S. government any activities with boycotting countries and all requests that are boycott-related.

The term "boycott-related request" is very broadly construed, and includes contract clauses agreeing to a boycott as well as requests to supply information, to take action or to refrain from action. Several examples of boycott-related requests are: inquiries regarding the national origin, nationality, or religious affiliation of the Company's customers or personnel; inquiries regarding where the Company or its customers do business; and contract clauses confirming that no goods or services used in a project will originate from the boycotted country.

#### **Guidelines for Behavior**

- Never take any action, or fail to take action, that could arguably support or further any boycott imposed by a foreign country.
- Promptly report all requests to participate in a boycott to the General Counsel.

#### **(b) The Foreign Corrupt Practices Act**

**General Rules.** The Foreign Corrupt Practices Act ("FCPA") makes it a criminal offense for any representative of a U.S. business to offer or pay anything of value to any foreign government official to induce him or her to misuse his or her official position to benefit the U.S. business. This not only includes traditional gifts, but also things like meals, travel, political or charitable contributions, and job offers for government officials' relatives. The prohibition extends not only to foreign government officials, but also to employees of government-owned or -controlled companies, foreign political parties and their party officials, and candidates for political office. The FCPA prohibits payments made to third parties (such as agents) if the U.S. company making the payment knows the payment will be used by the third party to bribe a foreign official.

A U.S. company does not have to actually pay anything to a foreign official to violate the FCPA. The FCPA expressly prohibits any *offer* or *promise* to give anything of value.

**FCPA Penalties.** A U.S. company violating the FCPA can be criminally fined up to \$2 million annually. Officers, directors, employees, and agents of a U.S. company can be criminally fined up to \$250,000 or imprisoned for up to five years. Also, substantial civil penalties can be assessed against a U.S. company and the responsible individuals. A U.S. company is prohibited from indemnifying its employees against fines under the FCPA. This means that if fines are assessed against an individual employee, his or her employer is forbidden from paying them for the employee.

## **Guidelines for Behavior**

- Do not give, promise to give or offer money or anything of value to any official, political party, party official or candidate for political office or their family members in any foreign country to obtain, retain or direct business to the Company.
- Do not give, promise to give or offer money or anything of value to any person while knowing or suspecting it will be offered to any official, political party, party official or candidate for political office in any foreign country to obtain, retain or direct business to the Company. Note that “knowing” includes consciously avoiding the truth.
- Stay aware that the above rules may apply to dealings with commercial enterprises, such as airlines, that are owned or controlled by foreign governments.
- Discuss all proposed transactions with foreign officials or agents with the General Counsel.
- Promptly report any solicitation of improper payments or benefits to the General Counsel.
- Promptly report any evidence of improper payments by foreign or domestic competitors of the Company to the General Counsel.

### **(c) Foreign Exchange Controls**

Certain countries have laws limiting their citizens’ right to hold foreign currency. Residents of those countries who receive foreign currency – such as United States dollars – outside their homeland are required to exchange that currency for their national currency within a specific period of time. In order to avoid participating in a violation of these laws, payments to foreign nationals and foreign companies must be made solely to and in the name of the contracting party, addressed to that party’s principal place of business, within that party’s country of domicile.

The Company’s representatives must not enter into any transaction that evades currency, tax, or other laws of a foreign country.

## **Guidelines for Behavior**

- Always make payments to foreign nationals and foreign companies only to and in the name of the contracting party, addressed to the party’s principal place of business within the party’s country of domicile.

### **(d) U.S. Export Controls**

Some of the Company’s designs, products, software, technical data, and other technology is subject to export, re-export and transfer restrictions, including the transfer of electronic transmission of software and technology to certain destinations, entities, and foreign persons (“controlled technology”). In this connection, please note that (i) exposing or allowing access by a non-U.S. person to U.S. technical data can be an “export,” regardless of what country the exposure occurred in; (ii) sending a server from one country into another country is

deemed an export from the sending country and an import into the receiving country; (iii) permitting the download of software from one country into another country is an export from the first country; and (iv) transporting technical data or software on your laptop, or tools or equipment in your luggage, may be an export and import.

Controlled technology may be exported or re-exported to most civilian/commercial end users located in all territories except certain legally embargoed destinations and countries that have been designated as supporting terrorist activities.

Each employee of the Company is responsible for preventing unauthorized access to the Company's controlled technology by individuals who are nationals of countries that are subject to export controls. This applies even if those individuals are located inside the U.S. or inside a country that is not an export controlled destination. Company employees may not electronically, verbally or physically transfer controlled technology to individuals in or from any export controlled countries. Also note that nondisclosure agreements cannot be used to overcome or "wire around" this prohibition.

Before providing or agreeing to provide controlled technology to a foreign national or foreign entity, wherever located, please contact the General Counsel. This applies even if the proposed transfer is to be through a foreign subsidiary of the Company.

### **Guidelines for Behavior**

- Discuss with the General Counsel all proposed transfers or access of controlled technology to, and all proposed transactions with, foreign entities and foreign nationals – whether within or outside the United States.

## **18. Political Contributions**

The Company encourages you to become actively involved in the political process. The Company recognizes that political affiliations and individual financial support of political organizations or candidates are matters of personal choice. It is vital, however, that an individual's political activity not violate applicable campaign and election laws or create any appearance of impropriety. Political contributions by corporations, whether by direct or indirect use of corporate funds, violate federal law and the laws of most states.

It is illegal for any expenditure that is in fact a political contribution to be included in any expense statement or in any disbursement or request for disbursement of Company funds. For example, purchasing tickets to a political fund-raising dinner or reception would be considered a political contribution, and accordingly, you must not submit such an expense for reimbursement by the Company.

United States election laws apply both to cash contributions by the Company and to the use of Company assets and services to benefit a candidate or political party. Because use of Company assets in connection with political activities may violate these laws, you must first obtain the prior written approval of the General Counsel.

## **Guidelines for Behavior**

- Never make any political contributions, whether directly or indirectly, using Company funds, property, time or other resources.
- Never include any expenditure that could be considered a political contribution in any expense statement or in any disbursement or request for disbursement of Company funds.

## **19. Record Retention and Disposal**

You are responsible for retaining all Company records pursuant to the Company's policies regarding record retention and disposal, which may be found on the Company's internal website. It is critical that you keep records for an appropriate length of time. Please note that legal requirements, accounting rules, and other external sources often specify longer retention periods for certain types of records than for others. In addition, if asked by the Legal Department to retain records relevant to a litigation, audit, or investigation, do so until the Legal Department tells you that retention is no longer necessary.

## **Guidelines for Behavior**

- Familiarize yourself with these policies and adhere to them.

## **20. Workplace Standards**

We should all do our best to make the Company a place where people enjoy their work. The Company strives to maintain a positive, creative and rewarding environment that encourages employees to treat others with respect and dignity. Some of these policies are highlighted below. Further information about these policies and other policies that are part of our commitment to a respectful and safe workplace can be found in the Company's *Employee Handbook*.

### **(a) Human Rights**

The Company recognizes the importance of maintaining and promoting fundamental human rights in all of our operations. We operate under programs and policies that provide fair and equitable wages, benefits and other conditions of employment; provide humane and safe working conditions and prohibit forced or child labor. We do not tolerate any retaliation against any person for making a good-faith complaint or report of human rights violations.

### **(b) Equal Opportunity and Discrimination Free**

In accordance with applicable law, the Company prohibits discrimination and harassment against employees, applicants for employment and individuals providing services in the workplace pursuant to a contract based on race, religious creed, color, national origin, ancestry, mental or physical disability, pregnancy, medical condition, sex, gender, age, sexual orientation, military and veteran status and any other consideration protected by federal, state or local law. Company Personnel are expected to create a respectful workplace

that supports a culture of diversity and to make all employment decisions based on a principle of mutual respect and dignity consistent with applicable laws.

### **(c) Anti-Harassment**

We are committed to providing a workplace free of harassment based on personal characteristics such as race, color, religion, sex, national origin, ancestry, age, disability, medical condition, genetic information, military and veteran status, marital status, pregnancy, gender, gender expression, gender identity, sexual orientation, or any other characteristic protected by local law, regulation, or ordinance. We strongly disapprove of, and do not tolerate harassment of employees by supervisors or co-workers. We must treat co-workers, customers, and vendors with dignity and respect at all times.

As part of this Anti-Harassment Policy, Zix will not tolerate threats of any kind, whether explicit or implicit, threatening behavior, stalking, or acts of violence. We take all reports of threatening behavior or violence seriously, look into the matter, and take appropriate action.

### **(d) Anti-Retaliation Policy**

If you experience or witness any discrimination, harassment or violation of human rights, report the incident as described in Section 22 of the Code. No adverse employment action will be taken against any person for making a good-faith complaint or report of discrimination, harassment, human rights violations or other improper conduct, assisting in an investigation, or exercising rights under applicable laws. Retaliation against any person for any such protected activity will not be tolerated. Examples of retaliation could include, but are not limited to, a reduction in job responsibilities, an assignment to an undesirable shift, or an unfair performance review. A confirmed violation of this anti-retaliation policy could constitute a violation of federal or state laws. If you believe you have been retaliated against because you filed a complaint or cooperated in an investigation of alleged misconduct, you should immediately report the incident to your supervisor or the General Counsel.

### **Guidelines for Behavior**

- Follow the Golden Rule. Always treat your fellow employees with respect and as you would expect to be treated.
- Familiarize yourself with the *Employee Handbook* and its policies regarding these workplace matters and adhere to them.

### **(e) Drugs and Alcohol**

Our position on substance abuse is simple: it is incompatible with the health and safety of Company Personnel, and Zix does not permit it. Company Personnel must not drink in a way that leads to impaired performance or inappropriate behavior, endangers the safety of others, or violates the law. Illegal drugs in our offices or at sponsored events are strictly prohibited.

## **21. Consequences of Violating this Code**

Violating this Code will result in disciplinary action up to and including termination of employment. Violating the laws and regulations that underlie the Code (even if the intent is to benefit the Company) may also result in severe civil and criminal penalties, including significant fines and imprisonment. Company Personnel should use reasonable efforts to ensure that their subordinates comply with the Code. Officers, managers and supervisors who condone or negligently fail to detect unlawful and/or unethical conduct by their subordinates are also subject to disciplinary action up to and including termination of employment. For example, a manager who turns a “blind eye” to unlawful or unethical conduct that is readily apparent, or who fails to take reasonable steps to detect and stop unlawful or unethical conduct, may be subject to disciplinary action up to and including termination of employment.

## **22. Reporting of Violations Required; Methods for Reporting; Prohibition Against Retaliation**

The Company encourages, expects and requires all those working on its behalf to report any suspected violations of laws, regulations, this Code, other Company policies and all unethical business practices. Company Personnel may report these matters directly to their supervisors or to the Company’s General Counsel. The Company also maintains the following email address for asking questions or reporting concerns related to this Code or to compliance generally: [zixcompliance@zixcorp.com](mailto:zixcompliance@zixcorp.com). Further, the Company maintains a portal ([www.zix.ethicspoint.com](http://www.zix.ethicspoint.com)) and a toll-free hotline (800-886-9156) to which questions or concerns may be directed on an anonymous basis. Calls to this number may be made at any time, twenty-four hours a day.

The Company will not tolerate retaliation against anyone who in good faith reports suspected violations or misconduct. Those who engage in retaliation will be subject to disciplinary action up to and including termination of employment.

The Company also requires full cooperation in all Company inquiries and investigations. Failure to cooperate will lead to disciplinary action up to and including termination of employment.

### **Guidelines for Behavior**

- Timely report any suspected violations of laws, regulations, this Code, other Company policies and all unethical business practices.
- Avoid any retaliatory behavior concerning anyone who has reported matters in accordance with this Code.
- Cooperate fully in all Company inquiries or investigations.

## **23. Disclosure of Certain Waivers**

The Company will disclose on the Code of Ethics page of its website, within four business days, any waiver of this Code involving any Executive Officer or Director of the Company (although the Company does not expect any such waivers). Any waiver of this Code with

respect to an Executive Officer or Director may be granted only by the Company's Audit Committee or Board of Directors.

## **24. Reminders**

This Code serves as our guide for conducting business with integrity. It is not an employment contract and confers no rights relating to employment.

The Code is not a complete list of Company guidelines. You are expected to know and comply with all Company guidelines related to your job. Violation of these other guidelines may also result in discipline, up to and including termination of employment.

Zix may amend this Code from time to time as it deems necessary or appropriate.