

**AMENDED AND RESTATED EFFECTIVE AS OF OCTOBER 3, 2011**

**AUTOWEB, INC.  
CODE OF CONDUCT AND ETHICS**

AutoWeb, Inc. and its subsidiaries (collectively, the “**Company**”) is committed to conducting business ethically and in accordance with applicable laws, rules, regulations and orders (collectively, “**Laws**”). The Board of Directors of the Company (“**Board**”) has adopted this Code of Conduct and Ethics (“**Code**”) to guide and remind the members of the Company’s Board of Directors, nominees for election or appointment to the Board of Directors, officers and other employees (collectively, “**Covered Persons**”) of the Company, including without limitation, the Company’s Chief Executive Officer (“**CEO**”), Chief Financial Officer (“**CFO**”), Controller (or principal accounting officer) (“**PAO**”) or persons performing similar functions (the CEO, CFO, PAO, and any such other persons performing similar functions are collectively referred to herein as, “**Financial Officers**”), of their responsibilities to the Company. Because the Company’s business depends on its reputation and the reputation of its Covered Persons, this Code goes beyond the requirements of applicable Laws in many cases.

This Code should be read together with all other Company policies, procedures and employment documents, including all employee handbooks, policy manuals, confidentiality and intellectual property assignment agreements, and securities trading policies (collectively referred to herein as the “**Company Policies and Procedures**”). This Code is not intended to modify or amend any of the other Company Policies and Procedures, but may contain provisions that supplement or expand upon other Company Policies and Procedures. To the extent any Company Policies and Procedures contain provisions that are more restrictive than other Policies or Procedures, the most restrictive provisions shall govern. It is the responsibility of each Covered Person to be familiar and fully comply with all Company Policies and Procedures.

Because this Code cannot, and does not, cover every applicable Laws or provide answers to all questions that might arise, all Covered Persons are expected to use good judgment and common sense about what is right and wrong, including a sense of when it is proper to seek guidance from others on the appropriate course of conduct. Whenever any doubt exists as to whether a particular situation, action or arrangement would be in compliance with this Code, it is the Covered Person’s responsibility to contact the Company’s Chief Legal Officer (“**CLO**”) promptly for guidance, or if the Covered Person is not comfortable discussing the matter with the CLO, the Covered Person may contact the Chairman (“**Chairman**”) of the Board’s Audit Committee (“**Audit Committee**”) to discuss the matter. Information for contacting the CLO or the Chairman is contained in Section 3.03 of this Code.

A copy of this Code shall be posted on the Company’s website, [www.autoweb.com](http://www.autoweb.com).

## **I. PROVISIONS APPLICABLE TO ALL COVERED PERSONS**

### **1.01 COMPLIANCE WITH LAWS IN GENERAL**

**All Covered Persons must conduct themselves in accordance with all applicable Laws in connection with the business of the Company.**

- If a Covered Person has questions as to whether an action or conduct complies with applicable Laws the CLO must be contacted.

**Without limiting the generality of the foregoing, all Covered Persons must conduct themselves in accordance with all applicable federal and state securities Laws relating to insider trading.**

- It is illegal to purchase or sell Company securities (including Company stock) when in possession of material, nonpublic (“**inside**”) information. It is also illegal to disclose or “**tip**” inside information to others. In other words, if a Covered Person discloses inside information to another person (called a “**tippee**”), either directly or indirectly through an initial tippee, the Covered Person may be liable for the same civil penalties as if the Covered Person had engaged in a transaction directly, even if the Covered Person does not trade or benefit from trading in the Company’s securities by others on the basis of the Covered Person’s tip.
- Covered Persons are required to read and fully comply with Company’s Securities Trading Policy that, among other things, prohibits trading in Company securities unless the Company has opened a “trading window” during which trading in Company securities may take place.

## **1.02 CONFLICTS OF INTEREST**

**Covered Persons must avoid situations in which their personal interests conflict, or even appear to conflict, in any way with the interests of the Company.**

- A conflict situation arises when a Covered Person takes actions or has interests that conflict with or impair a Covered Person’s ability to act objectively on behalf of the Company, or that otherwise are inconsistent with, or opposed to, the best interests of the Company. No Covered Person should obtain any material personal benefits or favors from third parties due to the Covered Person’s position with the Company. Conflicts of interest may arise directly with a Covered Person or indirectly through the Covered Person’s immediate family members (as defined below), other family members or friends (“**Member Related Persons**”).
- This Code cannot, and does not, set forth every possible conflict of interest scenario. Therefore, there is no substitute for sound judgment and common sense by Covered Persons in each case based upon the particular facts involved. Whether a conflict of interest exists depends on the facts of each situation. These facts include, among other things, the amount or value involved, the extent to which the Covered Person is in a position to influence the Company’s decisions with respect to the transaction, and whether the interest is of such a nature that it might affect the objectivity or judgment of the Covered Person. What may appear to be acceptable in one circumstance may not be acceptable under other circumstances (e.g., if in one instance you are the decision maker regarding the selection or continued use of a vendor, but not in another instance; in the

former instance, receipt of even a nominal gift may not be acceptable, but in the latter, it may be acceptable).

- The following are some examples of situations that are likely to constitute conflicts of interest prohibited by this Code, or that will give rise to the appearance of a prohibited conflict of interest:
- You accept from any person or entity that has, or is seeking to have, a business relationship with the Company (i) any commissions, share in profits, cash payments or other compensation; (ii) gift certificates, merchandise or other gifts (other than items of an advertising or promotional nature of no more than nominal value); (iii) any payments, loans or advances; (iv) any securities (e.g., stock, options, warrants, debt) of the person or entity; (v) any labor, materials, services, repairs or improvements at no cost or at prices other than for fair value; or (vi) entertainment, recreation, sporting, social or cultural events or similar gratuities (e.g., meals, golf, sports or concert events) that are excessive or extravagant.
- You buy, sell or lease any kind of property, materials, supplies, services, facilities or equipment from, or to, the Company.
- You sell or lease any kind of property, materials, supplies, services, facilities or equipment from, or to, any entity or individual that has, or is seeking to have, a business relationship with the Company (such as a contractor, supplier, carrier or customer).
- Covered Persons who are employed by the Company (“**Employed Covered Persons**”) are expected to devote their full working energies and time to their work with the Company and avoid conflicts of interests or potential conflicts of interest that may arise as a result of activities outside the Company. Employed Covered Persons may not engage in any employment or activity other than for the Company in any business in which the Company is engaged or contemplates engaging. If an Employed Covered Person wishes to pursue a second job with any other entity or to participate actively in an outside business venture (e.g., “**moonlighting**”), the Employed Covered Person must ensure that the Employed Covered Person’s engagement in such activity does not create a conflict with the interests of the Company, adversely affect or impact in any manner the performance of the Employed Covered Person’s work for the Company, in any way use or risk disclosure of the confidential information of the Company, or involve any use of Company equipment or assets (e.g., telephones, cell phones, computers, copy or fax equipment). Any outside activity should be strictly separated from your employment with the Company and must not take place during your Company work hours.
- Employed Covered Persons must obtain approval prior to accepting any position to serve on a board of directors, an advisory board or on a committee of any entity. Employed Covered Persons who are not executive officers must obtain prior approval from the CLO before accepting any board or committee position. Employed Covered Persons who are executive officers must obtain prior approval from the Board or designated committee of the Board. The Company may at any time rescind prior approvals to avoid a conflict or appearance of a conflict of interest for any reason deemed to be in the best interests of the

Company. The Company's consent is not required for membership on boards of charitable, religious or community organizations, as long as such service does not constitute an actual conflict of interest or otherwise conflict or interfere with the Covered Person's duties at the Company and does not reflect negatively on the Company.

- Conflicts of interest or potential conflicts of interest may also arise as a result of investments in other companies. No Employed Covered Person may have a significant financial interest (indirect ownership, direct ownership or otherwise) in a **publicly-traded company** whose business is one in which the Company is engaged or contemplates engaging. A “**significant financial interest**” means (i) ownership of greater than 1% of the equity of the company (computed on a undiluted basis) or (ii) an interest or investment large enough in absolute dollars or as a percentage of the individual's total investment portfolio that it creates the appearance of or results in a conflict of interest. Any such investment must not involve the use of confidential “inside” or proprietary information, such as confidential information that might have been learned about the other company by virtue of the Company's relationship with the other company. Investments in diversified publicly traded mutual funds or diversified investment limited partnerships (as a limited partner) are not deemed subject to these conflict of interest guidelines, provided the confidentiality requirements are observed. Employed Covered Persons may not invest in **privately held companies** that are Company customers, vendors, partners or suppliers or whose business is one in which the Company is engaged or contemplates engaging without advance disclosure to the CLO. Where the Employed Covered Person has responsibility to affect or implement the Company's relationship with the other company, either directly or through other Employed Covered Persons in the Employed Covered Person's chain of command, prior approval is required for the investment. If an investment is made and/or approval is granted, and the Employed Covered Person subsequently finds the Employed Covered Person in a potentially conflicted position due to the Employed Covered Person's job responsibilities or those of others in the Employed Covered Person's chain of command, the Employed Covered Person is expected to recuse the Employed Covered Person from any involvement in the Company's relationship with that company. If the conflict is so fundamental as to undermine the Employed Covered Person's ability to undertake an important job activity, a discussion of possible divestiture may be required. Furthermore, with respect to any investment or financial interest in a third party, Employed Covered Persons should be extremely careful to avoid activities such as recommending or introducing the third party to other parts of the Company unless there is a clear disclosure of the financial interest. If an Employed Covered Person has an investment in a company and then later transitions into a role that would place the Employed Covered Person in a conflict of interest position, the Employed Covered Person should then disclose the situation to the CLO.
- Employed Covered Persons must obtain approval prior to accepting any position to serve on a board of directors, an advisory board or on a committee of any entity. Prior approval is not required for membership on boards of charitable or community organizations, as long as such service does not constitute an actual conflict of interest or otherwise conflict or interfere with an Employed Covered Person's duties at the Company and does not reflect negatively on the Company.

- A significant form of a conflict of interest is known as related party transaction. A “**related party transaction**” is any transaction (or series of transactions) in excess of \$120,000 since the beginning of the Company’s last fiscal year or currently proposed, in which the Company is a participant and in which any member of the Management Group (as defined below), any stockholder owning more than 5% of the Company’s voting stock, or any immediate family member of any of the foregoing persons has a direct or indirect material interest. An “**immediate family member**” means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of such director, executive officer or nominee for director, and any person (including domestic partners, but excluding tenants or employees) sharing the household of a Director, Director nominee, executive officer or stockholder owning more than 5% of the Company’s voting stock. A “**transaction**” includes, but is not limited to, any commercial or financial transaction or arrangement or relationship (including any indebtedness or guarantee of indebtedness) or any series of similar transactions, arrangements or relationships.
- The Company will monitor all continuing conflicts of interest or potential conflicts of interest, including related party transactions, on an ongoing basis. An approval of a related party transaction may be withdrawn or rescinded should subsequent facts or circumstances warrant withdrawal or rescission of the approval.

### 1.03 COMPETITION AND FAIR DEALING

**Covered Persons should endeavor to deal fairly with the customers, suppliers, competitors and employees of the Company, governmental authorities and the general public.**

- The Company’s policy is to compete vigorously and ethically while complying with all antitrust, monopoly, competition or cartel laws in all countries, states or localities in which the Company conducts business. Covered Persons must avoid actions that reasonably could be construed as being anti-competitive, monopolistic or otherwise contrary to laws governing competitive practices in the marketplace, including federal and state antitrust laws. Without limiting the generality of the foregoing, antitrust laws in the U.S. forbid agreements or actions “in restraint of trade.” All Covered Persons should be familiar with the general principles of the U.S. antitrust laws. The following is a summary of some of the actions that are violations of U.S. antitrust laws:
- Price Fixing. No Covered Person may agree with our competitors to raise, lower or stabilize prices or any element of price, including discounts and credit terms.
- Limitation of Supply. No Covered Person may agree with our competitors to limit our production or restrict the supply of our services.
- Allocation of Business. No Covered Person may agree with our competitors to divide or allocate markets, territories or customers.

- **Boycott.** No Covered Person may agree with our competitors to refuse to sell or purchase products from third parties. In addition, no Covered Person may prevent a customer from purchasing or using non-Company products or services.
- **Tying.** No Covered Person may, through the exercise of market power, require a customer to purchase a product that it does not want as a condition to the sale of a different product that the customer does wish to purchase. Because the risks of such a requirement are substantial, and because the circumstances where such a requirement might be illegal are often difficult to distinguish, it is your responsibility to contact the CLO promptly for assistance, review and approval before entering into any such agreement.
- Covered Persons should not take unfair advantage of or injure anyone through manipulation, concealment, abuse of privileged or confidential information, misrepresentation of material facts, fraudulent behavior or any other unfair dealing practice.

#### **1.04 POLITICAL AND GOVERNMENTAL CONTRIBUTIONS AND INFLUENCES**

**Except as authorized by the Board, Covered Persons must not use any funds or assets of the Company for contributions to any political party, political action committee, ballot measure or candidate for public office.**

**Covered Persons must not give, or offer or promise to give (or authorized any other person to give or offer or promise to give), any money or any other item of value to any federal, state, local or foreign governmental or public employee or official with the intent of improperly influencing any governmental decision being made with respect to the Company.**

- Any contact with government personnel for the purpose of influencing legislation or rule making, including such activity in connection with marketing or procurement matters, may be considered lobbying. In addition, under some laws, lobbying includes normal marketing and sales activities unrelated to legislation or rule making. Covered Persons are responsible for knowing and adhering to all relevant lobbying and associated gift laws, including all reporting requirements. A Covered Person must obtain prior approval from the Audit Committee to lobby or authorize anyone else (for example, a consultant or agent) to lobby on the Company's behalf—including when lobbying is limited to normal marketing and sales activities.
- Without limiting the foregoing, anti-corruption laws enacted around the world, including the United States Foreign Corrupt Practices Act ("FCPA"), prohibit the Company and our employees and agents from offering or giving money or any other item of value to win or retain business or to influence any act or decision of any governmental official, political party, candidate for political office or official of a public international organization. The FCPA prohibits the payment of bribes, kickbacks or other inducements to foreign officials. This prohibition also extends to payments to a sales representative or agent if there is reason to believe that the payment will be used indirectly for a prohibited

payment to a foreign official. The FCPA also contains accounting provisions that require us to keep accurate books and records of our business dealings. All financial records, including without limitation, expense reports, invoices and records of commission payments, must accurately describe any expense incurred by the Company. Violation of the FCPA is a crime that can result in severe fines and criminal penalties both to the Company and individual employees, as well as disciplinary action by the Company, up to and including termination of employment. No Covered Person may offer, provide or authorize, or permit a channel partner, supplier or other vendor of the Company to offer, provide or authorize, any payment of money or other item of value (including an offer of employment) to any foreign official for the purpose of influencing the foreign official to act or not act in any way that would provide a business advantage to us. Nor may any Covered Person offer, provide or permit the payment of money or other item of value to any person, whether or not a government official, in an attempt to bribe or otherwise corruptly induce the person to provide a business advantage to us.

#### **1.05 CORPORATE OPPORTUNITIES**

**Covered Persons must not (i) take for themselves personally any opportunities discovered through the use of property or information of or position with the Company; (ii) use of any property or information of or position with the Company for personal gain; or (iii) compete with the Company.**

- Covered Persons are obligated to advance the Company's interests when an opportunity to do so arises. If, through the use of Company property or information, or because of the Covered Person's position with the Company, the Covered Person discovers or is presented with a business opportunity that is related to the Company's businesses, the Covered Person must first present the business opportunity to the Company before pursuing the opportunity for the Covered Person's own benefit.
- No Covered Person may use Company property, information or the Covered Person's position with the Company for personal gain.
- Covered Persons must disclose to the CLO the terms and conditions of each potential business opportunity that the Covered Person wishes to pursue to determine (i) whether the situation is a corporate opportunity and (ii) whether the Company wishes to pursue the corporate opportunity. If the Company determines that it is a corporate opportunity and decides to waive its right to pursue the business opportunity, the Covered Person may pursue the business opportunity on the same terms and conditions as originally proposed, provided that the Covered Person's conduct is otherwise in compliance with this Code.

#### **1.06 COMMUNICATIONS WITH THIRD PARTIES AND PUBLIC COMMUNICATIONS**

**Covered Persons must not discuss Company matters with any media or persons in the securities industry, nor may Covered Persons speak publicly about Company matters without prior approval.**

- Except for the CEO or the CFO, Covered Persons who receive inquiries about the Company or the Company's securities from securities analysts, brokers, dealers, investment advisers, investment managers, reporters, investors, potential investors or others should decline to comment. Covered Persons, other than the CEO or CFO, should direct all inquiries from any third parties to the Company's Media and Investor Relations Department.
- Except for the CEO or the CFO, Covered Persons may not publicly speak about or discuss Company matters, or publicly speak about or discuss Company matters on behalf of the Company, without the prior written approval of the Company's Media and Investor Relations Department.
- When a Covered Person speaks out on public issues or in a public forum on matters other than those related to the Company, the Covered Person does so as an individual, and the Covered Person should not give the appearance of speaking or acting on the Company's behalf. This is particularly important with the rise of social networking media. Covered Persons must always be aware that such services are increasingly being monitored by competitors, customers and regulators alike.
- The foregoing obligations are in addition to, and do not alter or supersede, any other obligations of confidentiality and non-disclosure to which a Covered Person is bound by applicable Law or by contract with the Company.

## 1.07 COMPANY RECORDS

**Covered Persons are responsible for providing honest, accurate information in the course of their work with the Company.**

- Accounts, financial reports, research reports, marketing information, sales reports, tax returns and information, expense accounts, time reports, claims and all other books, records and documents of the Company must be kept in such a way as to reflect accurately and completely all Company transactions.
- Knowingly providing false, incomplete or inaccurate information is improper and, in some situations, illegal. Certain types of information and documents must be updated or amended if changes become known. Covered Persons must not withhold or fail to provide information to their supervisors or management.

## II. PROVISIONS APPLICABLE TO FINANCIAL OFFICERS

**The purpose of this Article II of this Code is to set standards for the Financial Officers as are reasonably necessary to promote (i) honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships; (ii) full, fair, accurate, timely and understandable disclosure in the reports and documents that the Company files or submits to the Securities and Exchange Commission, the Internal Revenue Service and in any other public communications by the Company; (iii) compliance with applicable governmental laws, rules and regulations;**

**(iv) prompt internal reporting of any violations of this Code; and (v) accountability for adherence to this Code.**

## **2.01 HONEST AND ETHICAL CONDUCT**

**Financial Officers must perform their duties and responsibilities for the Company honestly and ethically and with the highest degree of integrity.**

- Integrity requires Financial Officers to perform their work with honesty, ethically, objectively and in accordance with applicable laws, rules, regulations and orders. In the performance of their work, Financial Officers must not knowingly be a party to any illegal activity or engage in acts that may discredit to the Company. Integrity requires Financial Officers to observe both the form and the spirit of the ethical principles contained in this Code.
- Financial Officers must also comply with the principles contained in Article I of this Code governing avoidance of conflicts of interest that are applicable to all Covered Persons.

## **2.02 REPORTING OF DISAGREEMENTS**

**Financial Officers must report unresolved disagreements with respect to financial statement disclosure or the recording of transactions.**

- If a Financial Officer and the Financial Officer's supervisor have a disagreement or dispute relating to the preparation of financial statements or the recording of transactions, the Financial Officer should take the following steps:
- The Financial Officer should consider whether (i) the entry or the failure to record a transaction in the records, or (ii) the financial statement presentation or the nature or omission of disclosure in the financial statements, as proposed by the supervisor, represents the use of an acceptable alternative and does not materially misrepresent the facts or result in an omission of a material fact. If, after appropriate research or consultation, the Financial Officer concludes that the matter has authoritative support and/or does not result in a material misrepresentation such that the Financial Officer no longer has a disagreement or dispute, the Financial Officer need do nothing further.
- If the Financial Officer concludes that the Financial Officer still has concerns regarding the financial statements or records, the Financial Officer should make the Financial Officer's concerns known to the Chairman or to the CLO, who must report the concerns to the Chairman upon becoming advised of such concerns. The Chairman will confer with the other members of the Audit Committee and advise the Financial Officer and the Financial Officer's supervisor of the Audit Committee's position on the matter.
- If, after receiving the Audit Committee's position on the matter, the Financial Officer concludes that appropriate action was not taken, the Financial Officer should consider the Financial Officer's continuing relationship with the Company. The Financial Officer also

should consider any responsibility that may exist to communicate to third parties, such as regulatory authorities or the Company's independent auditor. In this connection, the Financial Officer may wish to consult with the Financial Officer's legal counsel at such Financial Officer's expense.

### **2.03 COMPETENCY AND DILIGENCE**

**Financial Officers must perform their duties and responsibilities for the Company with competence and diligence.**

- Diligence requires Financial Officers to carry out their responsibilities and duties with due professional care in a thorough and timely manner and to observe applicable technical standards and the ethical principles contained in this Code and in guidelines and principles issued by applicable professional accounting organizations..
- Competence requires Financial Officers to undertake only those duties and responsibilities for which they have the necessary knowledge, skills and experience, or can reasonably expect to obtain the necessary knowledge, skills and experience through training, supervision or otherwise.
- The maintenance of competence requires Financial Officers to be committed to learning and professional improvement throughout their professional lives.

### **2.04 PREPARATION OF FINANCIAL STATEMENTS**

**Financial Officers must not knowingly make any misrepresentations regarding the Company's financial statements or any facts in the preparation of the Company's financial statements, and must comply with all applicable laws, standards, principles, guidelines, rules, regulations and orders in the preparation of the Company's financial statements.**

- Financial Officers must not knowingly make any misrepresentations regarding any facts in the preparation of the Company's financial statements, records or related information, which includes knowingly:
- making, permitting or directing another to make, materially false or misleading entries in the Company's financial statements or records;
- failing to correct the Company's financial statements or records that are materially false or misleading when he or she has the authority to record an entry; or
- signing, permitting or directing another to sign, a document containing materially false or misleading financial information.
- Financial Officers must be scrupulous in their application of generally accepted accounting principles ("GAAP"). Financial Officers must not (i) express an opinion or state affirmatively that the financial statements or other financial data of the Company are presented in conformity with GAAP, or (ii) state that the Financial Officer is not aware of any modifications that should be made to such statements or data in order for them to be

in conformity with GAAP, in each case, if such statements or data contain any departure from GAAP then in effect in the United States.

- Financial Officers must follow the laws, standards, principles, guidelines, rules, regulations and orders established by all applicable governmental bodies, commissions or other regulatory agencies in the preparation of financial statements, records and related information. If a Financial Officer prepares financial statements, records or related information (such as the “**Management’s Discussion and Analysis**” set forth in filings with the Securities and Exchange Commission) for purposes of reports, schedules or statements filed with, or furnished to, such bodies, commissions or regulatory agencies, the Financial Officer should follow the requirements of such organizations in addition to GAAP.
- Financial Officers must coordinate and consult with the Company’s Disclosure Committee so that they are aware of and carry out their duties and responsibilities in accordance with all relevant disclosure obligations of the Company.

## **2.05 OBLIGATIONS TO THE COMPANY’S INDEPENDENT AUDITOR**

**Financial Officers must be candid in all dealings with the Company’s independent auditor.**

- In dealing with the Company’s independent auditor, Financial Officers must be candid and not knowingly misrepresent facts or knowingly fail to disclose material facts, and must respond to specific inquiries and requests by the Company’s independent auditor.
- Financial Officers must not take any action, or direct any person to take any action, to fraudulently influence, coerce, manipulate or mislead the Company’s independent auditor in the performance of an audit of the Company’s financial statements for the purpose of rendering such financial statements materially misleading.

### III. SUBMISSION OF CONCERNS, COMPLAINTS AND REPORTING

#### 3.01 REQUIRED REPORTING

**Covered Persons should report any conduct or actions by another Covered Person that (i) do not appear to comply with this Code; or (ii) relate to complaints or concerns regarding accounting, internal accounting controls or auditing matters of the Company.**

- Any Covered Person who (i) becomes aware of or has concerns regarding any non-compliance with this Code, including any illegal or unethical behavior, by a Covered Person or the Company; (ii) is asked to engage in suspect conduct by a supervisor or someone in higher management; or (iii) who has any complaints or concerns regarding accounting, internal accounting controls or auditing matters of the Company or the integrity of or any questionable accounting, internal controls or auditing matters must promptly report the same to the Chairman or to the CLO, who must then report such violation or behavior to the Chairman; ***provided, however***, that the CLO is not required to report to the Chairman, but may report to the Chairman, any conflict of interest or potential conflict of interest that is reported to the CEO as permitted under this Section 3.01.
- All conflicts of interest or potential conflicts of interest must be reported to the CLO, who will evaluate the circumstances relating to the conflict of interest or potential conflict of interest and report the findings of such evaluation to the CEO, who in turn, if warranted under the circumstances, must report such situation or activity to the Chairman; ***provided, however***, (i) that if the conflict of interest or potential conflict of interest involves any Financial Officer, any other officer of the Company, any Director or nominee for Director (collectively referred to herein as the “**Management Group**”), the CLO must report such situation or activity to the Chairman; and (ii) the CLO is not precluded from reporting any conflict of interest or potential conflict of interest involving any Covered Person who is not a member of Management Group directly to the Chairman should the CLO believe such direct reporting to the Chairman is warranted under the circumstances. Conflicts of interest or potential conflicts of interest must be approved or disapproved by the Audit Committee, in its sole discretion; ***provided, however***, that the CEO need not report any conflict of interest or potential conflict of interest to the Chairman, and the CEO may approve or grant waivers for a conflict of interest or potential conflict of interest in cases involving Covered Persons who are not members of the Management Group in situations where the CEO determines that the conflict of interest or potential conflict of interest is immaterial, is not likely to impair a Covered Person’s ability to act objectively on behalf of the Company, and is not otherwise inconsistent with, or opposed to, the best interests of the Company.
- Any Covered Person who may be involved in a related party transaction must promptly report that transaction to the Chairman or the CLO, who must then report the transaction to the Chairman upon becoming advised of such transaction. The Audit Committee, in its sole discretion, must approve or disapprove all related party transactions.

- Any Covered Person who receives a complaint, concern or reporting from any other person regarding any violations of this Code or any Laws or regarding any accounting, internal accounting controls or auditing matters of the Company must promptly report such complaint to the Chairman or to the CLO, who must then report such complaint to the Chairman upon becoming advised of such complaint; ***provided, however,*** that the CLO is not required to report to the Chairman, but may report to the Chairman, any conflict of interest or potential conflict of interest that is reported to the CEO as permitted under this Section 3.01. Other than reporting of such complaint or report to the Chairman or the CLO, any Covered Person receiving a complaint, concern or report from another Covered Person must maintain the confidentiality of the complaint or report and the identity of the person submitting the complaint or report unless otherwise required by applicable Law or instructed by the Chairman or the CLO.

### **3.02 PROCESSING OF COMPLAINTS AND OTHER REPORTING**

**The following outlines the Company’s process and procedures for the receipt, retention and treatment of complaints, concerns or other reporting under this Code.**

- Upon being advised of a complaint, concern or other reporting under this Code, the Chairman will confer with the other members of the Audit Committee.
- The Audit Committee will conduct or coordinate a timely and impartial investigation of the complaint, concern or reporting to the extent warranted under the circumstances. Covered Persons, as well as independent investigators, may be utilized as necessary for the investigation. Covered Persons must cooperate with such investigation and must truthfully disclose what they know about the matters under investigation. A written record of the investigation process should be kept.
- If the Audit Committee determines that a Covered Person violated this Code, failed to report a known or suspected violation of this Code, or provided intentionally false or malicious information in connection with an alleged violation of this Code, the Company may take disciplinary action against any such Covered Person to the extent the Audit Committee deems appropriate (including termination of employment for cause and/or legal action). This determination will be based upon the facts and circumstances of each particular situation.
- If appropriate under the circumstances, the Chairman may request that the CLO issue a written advisory to the Covered Person as to whether or not the reported situation or activity constitutes a violation of this Code. If the CLO would not be the appropriate party to issue such written advisory, outside counsel may be retained to issue such written advisory unless the Audit Committee determines that such written advisory can be issued by the Chairman without outside counsel input.

### **3.03 SUBMISSION AND CONFIDENTIALITY OF CONCERNS, COMPLAINTS AND REPORTING**

**Any Covered Person who submits a complaint or provides other reporting under this Code may submit such complaint or reporting anonymously or openly with a request to maintain the confidentiality of the Covered Person's identity in accordance with these procedures.**

- The Company maintains an “open door policy” that permits any Covered Person to present any concerns, complaints or reporting. A Covered Person may submit complaints, concerns or other reporting either directly or indirectly, anonymously or openly, and in writing or verbally. If a concern, complaint or reporting is not submitted anonymously, the Covered Person may request, either in writing or verbally, that the Covered Person's identity be treated confidentially. If confidentiality is requested, the Company will maintain the confidentiality of the Covered Person's identity unless disclosure is required, warranted or advisable (i) in connection with any governmental, internal or other investigation or report; (ii) in the interests of the Company, consistent with the goals of this Code; (iii) under applicable Law; or (iv) in connection with any judicial, administrative or other proceeding. Complaints or other reporting can be submitted (i) to the Chairman by writing to Chairman of Audit Committee, AutoWeb, Inc., 18872 MacArthur Boulevard, Suite 200, Irvine, CA 92612, Attention: Corporate Secretary; (ii) to the CLO in person, by telephone at 949.862.1392, by writing to the Chief Legal Officer, AutoWeb, Inc., 18872 MacArthur Boulevard, Suite 200, Irvine, CA 92612 or by email addressed to [glennf@autobytel.com](mailto:glennf@autobytel.com); (iii) through the Company's confidential hotline by calling 866.384.4277 or online at [www.ethicspoint.com](http://www.ethicspoint.com); or (iv) such other individual and/or address as the Audit Committee may from time to time approve, including, without limitation, third party service providers from time to time approved by the Audit Committee.

### **3.04 POLICY AGAINST RETALIATION**

**It is the Company's policy to comply with applicable Laws regarding non-retaliation against Covered Persons for submitting concerns, complaints or reports relating to non-compliance with this Code.**

## **IV. AMENDMENTS AND WAIVERS OF THIS CODE**

### **4.01 Amendments**

**This Code is subject to amendment or modification from time to time by the Board as the Board may deem appropriate in the best interests of the Company or as required by applicable laws, rules, regulations or orders.**

- Any amendment or modification of this Code may be made only by the Board. No Covered Person has the individual authority to make any changes to any provision of this Code.

- Any amendment or modification to this Code must be made publicly available if, and to the extent, required by applicable Laws or rule of any exchange or other securities trading market applicable to the Company.
- Amendments to this Code will be effective upon posting of the amendment to the Company's intranet and does not require any written or other acknowledgement or acceptance by a Covered Person to become applicable to and govern the Covered Person.

#### 4.02 Waivers

- Any waiver of compliance with this Code may be made only by the Audit Committee, or, if authorized by Section 1.01 of this Code, by the CEO; provided, however, that any waivers of this Code for members of the Management Group must be approved by the Board.
- No Covered Person has the individual authority to waive compliance with any provision of this Code, except waivers granted by the CEO to Covered Persons other than members of the Management Group as authorized by Section 1.01.
- All waivers of compliance with this Code authorized by the Audit Committee or the CEO, as applicable, shall be documented and reported to the Audit Committee.
- Any waiver, or implicit waiver, of compliance with this Code involving any member of the Management Group must be publicly disclosed if, and to the extent, required by applicable Law or rule of any exchange or other securities trading market applicable to the Company.
- “**Waiver**” means the Company's approval of a material departure from any provision of this Code after full disclosure by the Covered Person. “**Implicit waiver**” means the Company's failure to take action within a reasonable time regarding a material departure from a provision of this Code that has been made known to an executive officer of the Company.

**This Code is not intended to be a contract of employment and does not in any manner amend or rescind the at-will employment relationship between Employed Covered Persons and the Company. At-will employment means that both the Company and the employee have the right to terminate employment at any time, for any reason, with or without prior notice or cause. In addition, because circumstances may arise that require changes to this Code, the Company reserves the right to modify, supplement, rescind or revise all or any portion of this Code, except the at-will employment provisions, at any time as it deems necessary or appropriate in its discretion. With regard to at-will employment, no one in the Company except the CLO has the authority or legal ability to modify the at-will nature of the employment relationship, and the CLO may only do so by express written agreement signed by the employee and the CLO.**

## COVERED PERSON ACKNOWLEDGEMENT

I acknowledge that I have received and reviewed a copy of AutoWeb, Inc.'s Code of Conduct and Ethics ("**Code**"). I understand that I am responsible for complying with the contents of the Code as it pertains to my duties and responsibilities.

I understand that I am responsible for reporting known or suspected violations of the guiding principles or business practices contained in the Code to the Chairman of the Audit Committee or the Chief Legal Officer.

Whenever I have any doubt as to whether a particular situation, action or arrangement would be in compliance with the Code, it is my responsibility to contact the Chief Legal Officer promptly for guidance.

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Signature

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Printed Name

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Title

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Date