

CODE OF CONDUCT 2017

A MESSAGE FROM OUR CHIEF EXECUTIVE OFFICER

Dear Rackers,

We're famed throughout our industry for exceeding expectations — those of our customers, partners, communities and fellow Rackers. Before we can excel, however, we must be sure we meet some basic requirements around ethical and trustworthy behavior. That may seem obvious in principle. But in practice, our business is complex and global, and so are the requirements and expectations we face.

The Rackspace Code of Business Conduct and Ethics is designed to guide us through a variety of real-world situations. It helps us make sure that we comply with regulations and expectations in all of the places where we do business. It helps us maintain our reputation for upholding the highest standards of integrity. The Code is not a substitute for good judgment, nor does it cover every situation you may encounter, but it does provide the foundation of trustworthy behavior that is the prerequisite for Fanatical Support.

All Rackers — starting with me — are required to complete annual Code of Conduct training, as every Racker is responsible for understanding and upholding the Code as we go about our business day to day.

Thank you for following our Code, and keeping Rackspace above reproach in all that we do.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Eazor". The signature is stylized with large, overlapping loops and a long, sweeping tail.

Joe Eazor

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INTRODUCTION

Rackspace Hosting, Inc. ("Rackspace Hosting") and its direct and indirect wholly owned subsidiaries worldwide, within all sectors, regions, areas and functions (Rackspace Hosting, together with its subsidiaries referred to as "Rackspace" or the "Company") have adopted this Code of Business Conduct and Ethics ("Code"). The purpose of this Code is to promote ethical conduct and deter wrongdoing. This Code supports our policies and applies to all employees, including our executive officers ("Rackers"); Directors on the Board of Rackspace ("Directors"); and contractors, consultants and others who are temporarily assigned to perform work or services for Rackspace in connection with their work for the Company ("Partners"). References to the "Chief Executive Officer," "General Counsel" or "Chief Financial Officer" refer to the officers of Rackspace with those titles.

All parties are expected to read this Code and ensure that they understand and comply with it. However, while this Code covers a wide range of business practices and procedures, it is not all-inclusive. Rather, the Code sets out basic principles to guide all parties in the professional and ethical conduct of our business. All Rackers must conduct themselves accordingly and seek to avoid even the appearance of improper or inappropriate behavior. All parties are responsible for exercising good judgment, applying ethical standards, obeying the law and raising questions when in doubt.

Those who violate the standards in this Code may be subject to disciplinary action, up to and including termination of employment. Rackers who have knowledge of a violation and fail to move promptly to report or correct it, or who direct or approve violations, may also be subject to disciplinary action, up to and including termination of employment. Further, violations of some provisions of the Code are also illegal and may subject the employee or Director to civil and/or criminal liability. If you are in a situation which you believe may violate or lead to a violation of this Code, follow the guidelines described in this Code.

The Code is not a replacement of our policies or the Employee Handbook, but is a statement of additional standards, practices and guidelines which are applicable to all Rackers. Rackers should refer to the Company's other policies and procedures for implementing the general principles set forth below. Rackers are encouraged to seek guidance from managers or other appropriate personnel when in doubt about the best course of action to take in a particular situation. Any questions about the Code should be directed to the General Counsel.

Rackspace may periodically revise and supplement the Code. Thus, your comments and suggestions regarding the Code are encouraged, and should be directed to the General Counsel. The Code is a tool to assist you in performing your work, with the end objective being that your efforts are in support of our policies and in compliance with the requirements of the law.

COMPLIANCE WITH LAWS, RULES AND REGULATIONS

Our standards of business conduct serve as an important resource for employees in support of day-to-day decision-making. The Code should be used as a resource when questions of legal or ethical appropriateness arise. It is not a comprehensive rulebook, but rather a statement of how we commit to do business. We are bound by the Code and the specific operational policies of Rackspace. As members of Rackspace's team, we all have a personal responsibility to uphold and ensure the letter and spirit of our code of conduct in our individual roles, every single day. It is important that you be aware of, and never intentionally violate, relevant laws and regulations. You should also be alert to changes in the law or new requirements that may affect your business unit, as well as new products or services that may be subject to special legal requirements.

EXAMPLES:

Question: The different laws are so complicated and cover so many different areas, how can I be sure that I won't violate some little technicality? Moreover, how am I supposed to understand it all? I'm not a lawyer.

Answer: Don't abandon your own judgment. If something seems intuitively wrong to you, ask before acting. You also have an obligation to understand the finer points of the rules governing your job. Do not hesitate to contact the legal department if you need clarification of the laws or of our standards and policies.

Question: What happens if I am faced with a situation where acting ethically conflicts with making a profit for the company?

Answer: You must always engage in legal and ethical conduct no matter the circumstances. Rackspace's long-term profitability depends on our reputation. If you feel that there is a conflict between what is "right" and what is profitable, you should seek guidance from your supervisor, General Counsel or any of the other resources listed in this Code.

REPORTING PROCEDURES

Maintaining ethical standards is the responsibility and obligation of every Racker. Early identification and resolution of violations of or questions about the Code are critical to maintaining our commitments to our customers, partners, suppliers, service providers, stockholders, and to ourselves and our fellow Rackers. If something seems unethical or improper, or if you have questions regarding the best course of action, you should promptly contact any of the following:

- Your department manager or any Rackspace manager;
- Your human resources representative;
- The General Counsel;
- Call the specific country phone number or click a link to file a report online at www.rackspace.ethicspoint.com

Rackspace's ethics Hotline and website are operated by specially trained third-party representatives and are available 24 hours a day, seven days a week, with an interpreter available upon request. Please be aware that the information provided to the Hotline or website is directed to the United States. Hotline representatives will listen to your concerns, ask questions and review the information provided. They will then forward your concern to an appropriate Rackspace officer or Director, who will take action. Questions or concerns may be submitted to the Hotline anonymously in most countries.

Your concerns will be taken seriously and all information provided will be treated confidentially to the extent practicable and allowed by law, but consistent with the need to thoroughly investigate and resolve a situation.

All reported violations will be acted on appropriately. If your concern requires an investigation, the Company will respond promptly. If possible, you will be informed about the status of the investigation and the outcome of the matter.

It is against Company policy to retaliate against any Racker who, in good faith, reported a violation or suspected violation of law, this Code or other Company policies, or who assisted in an investigation or reported violation. Any Racker who retaliates against anyone who made a good faith complaint may be subject to disciplinary action by the Company up to and including termination of employment.

The Rackspace Board of Directors or its designated committee will be responsible for investigating violations and determining appropriate disciplinary action for matters involving Directors or executive officers. The Rackspace Board of Directors reserves the right to investigate violations and determine appropriate disciplinary action on its own or to designate others to do so in place of, or in addition to, the General Counsel. It is imperative that the person reporting the violation not conduct an investigation on his or her own. However, Rackers are expected to cooperate fully with any investigation made by the Company into reported violations.

Sensitive Complaints: A Sensitive Complaint is a complaint containing allegations that:

- Concern improprieties in accounting, auditing, financial record-keeping or internal accounting controls;
- Involve conduct of Directors or officers;
- Have realistic potential to cause significant financial, legal or regulatory consequences for the Company;
- Might reasonably result in significant adverse publicity;
- Involve the systematic violation of customer trust; or
- Concern systematic criminal conduct not otherwise covered by one of the above categories.

Any person who has or receives a complaint that he or she believes may be a Sensitive Complaint should forward that complaint immediately to the General Counsel or, if using the Rackspace ethics website or Hotline, explain that the matter in your report is a potential Sensitive Complaint.

CONFLICTS OF INTEREST

We expect every employee, officer and Director of our company to act in the best interests of Rackspace and to protect against conflicts of interest, including even the appearance of a conflict. This means that employees, officers and Directors should avoid any investment, interest, association or activity that may cause others to doubt our company's fairness or integrity, or that may interfere with their ability to perform job duties objectively and effectively. Many potential conflicts of interest can be prevented or remedied by making full disclosure of the situation to your supervisor or functional leader.

What are some activities that could be conflicts of interest?

- Owning — directly or indirectly — a significant financial interest in any entity that does business, seeks to do business or competes with our company;
- Holding a second job that interferes with your ability to do your regular job;
- Employing, consulting or serving on the board of a competitor, customer, supplier or other service provider;
- Hiring a supplier, distributor or other agent managed or owned by a relative or close friend;
- Soliciting or accepting any cash, gifts, entertainment or benefits that are more than modest in value from any competitor, supplier or customer;
- Taking personal advantage of what would otherwise be Rackspace business opportunities;
- Campaigning for an elected political office while on duty or representing Rackspace.

EXAMPLE:

Question: My brother owns a business and wants to be a Rackspace supplier. May I direct him to a Rackspace manager?

Answer: Yes. You may direct your brother to the person who may be interested in his product or service. However, your supervisor and the person making the purchasing decision should be told about the relationship. Normal Rackspace procedures for selecting a vendor must be followed to make sure there is no appearance of special treatment for your brother.

RACKSPACE BUSINESS OPPORTUNITIES

You have a duty to our company to advance Rackspace's business interests ahead of your own. You should not take personal advantage of opportunities or favors offered to you by virtue of your employment with Rackspace. Be respectful of your position at Rackspace and the company's property or information and make sure that you and your family members don't use them for personal gain.

Without the consent of the Board of Directors, Rackers are prohibited from:

- Personally taking for themselves opportunities that are discovered through the use of corporate property, information or position;
- Using corporate property, information or your position as a Racker for personal gain; and
- Competing with the company.

ANTITRUST AND FAIR COMPETITION

It is our policy that all Directors, officers and employees comply with antitrust and competition laws. Global antitrust and competition laws prohibit efforts and actions to restrain or limit competition between companies that otherwise would be competing for business in the marketplace.

You must be particularly careful when you interact with any employees or representatives of Rackspace's competitors. You should use extreme care to avoid any improper discussions with our competitors about limiting competition, especially at trade association meetings or other industry or trade events where competitors may interact. If you are not careful, you could find that you have violated antitrust and competition laws if you discuss or make an agreement with a competitor regarding:

- Prices or pricing strategy;
- Discounts;
- Terms of our customer relationships;
- Sales policies;
- Marketing plans;
- Customer selection;
- Allocating customers or market areas;
- Not hiring former employees; or
- Contract terms and contracting strategies.

Agreements with competitors do not need to be written in order to violate applicable antitrust and competition laws. Informal, verbal or implicit understandings, i.e., knowing winks, could be violations. Antitrust violations in the U.S. may be prosecuted criminally as felonies and can result in severe penalties for Rackspace and any associate or other person who participates in a violation.

OBTAINING AND USING COMPETITIVE INFORMATION FAIRLY

Gathering and using information about our competitors, often called Competitive Intelligence, is a legitimate business practice. Doing so helps us stay competitive in the marketplace; however, we must never use any illegal or unethical means to get information about other companies, nor should we use information in a misleading way. Legitimate sources of competitive information include publicly available information such as news accounts, industry surveys, competitors' displays at conferences and trade shows, and information publicly available on the internet. You may also gain competitive information appropriately from customers and suppliers (unless they are prohibited from sharing the information) and by obtaining a license to use the information or actually purchasing the ownership of the information. When working with consultants, vendors and other partners, ensure that they understand and follow Rackspace's policy on gathering competitive information.

HONEST ADVERTISING AND MARKETING

It is our responsibility to accurately represent Rackspace and our products in our marketing, advertising and sales materials. Deliberately misleading messages, omissions of important facts or false claims about our products, individuals, competitors or their products, services or employees are inconsistent with our values. Sometimes it is necessary to make comparisons between our products and our competitors'. When we do, we will make factual and accurate statements that can be easily verified or reasonably relied upon. If a competitor makes false or misleading statements about Rackspace or our products and services, seek guidance from the General Counsel.

EXAMPLE:

Question: A competitor is constantly making misleading and disparaging comparisons with our product. What can I do to counter this?

Answer: We expect our employees to compete vigorously and effectively but never unfairly. Therefore, you must make sure that any comparisons with the competition are fair and accurate. You should also contact the Legal Department, since certain legal remedies may be available to our company.

SELECTION AND USE OF THIRD PARTIES/ PROCUREMENT (FAIR PURCHASING)

We engage in open and fair procurement activities regardless of nationality or the size of the transaction. Suppliers are selected competitively based on total value, which includes quality, suitability, performance, service, technology and price.

We strive toward establishing mutually beneficial relationships with our suppliers based on close cooperation and open communication. Terms and conditions that define our relationship with suppliers are communicated early in the supplier selection process.

U.S. federal law requires that certain government procurement rules related to ethics and business conduct apply to subcontractors.

Proper procurement conduct includes:

- Using established corporate-wide or regional supply (leveraged procurement) agreements;
- Obtaining competitive bids when leveraged procurement agreements do not exist;
- Confirming the financial and legal status of the supplier;
- Verifying quality and service claims on a regular basis;
- Making sure that purchase agreements clearly state the services or products to be provided, the basis for earning payment and the applicable rate or fee;
- Verifying that invoices clearly and fairly represent goods and services provided;
- Avoiding exclusive agreements with a single source;
- Contracts should only be signed by authorized representatives of the company, and in accordance with applicable policies.

The fee or price paid for goods and services by Rackspace must represent the value of the goods or services provided. Payments can only be made to the person or the firm that actually provides the goods or services, and must be made in the supplier's home country, where it does business, or where the goods were sold or services provided, unless prior approval is obtained. Our company will not knowingly use suppliers who participate in the following activities:

- Supplying unsafe products or services;
- Violating laws or regulations;
- Using child labor or forced labor;
- Using physical punishment to discipline employees, even if it is allowed by local law.

For a full list, please see our [Supplier Code of Conduct](https://www.rackspace.com/responsibility/people) (rackspace.com/responsibility/people).

CUSTOMER AND SUPPLIER RELATIONSHIPS

Rackers must act in a manner that creates value for the Company's customers and helps to build relationships based upon trust. The Company has provided services for many years and has built up significant goodwill over that time. This goodwill is one of our most important assets, and all Rackers must act to preserve and enhance the Company's reputation.

The Company's suppliers make significant contributions to the Company's success. To create an environment where the Company's suppliers have an incentive to work with the Company, suppliers must be confident that they will be treated lawfully and in an ethical manner. The Company's policy is to select significant suppliers through a competitive bid process where possible. In selecting suppliers, the Company does not discriminate on the basis of age, gender, marital status, race, veteran status, color, gender identity, military status, religion, disability, genetic information, national origin, sexual orientation or any other status protected by the laws or regulations in the locations where we operate. A supplier to the Company is generally free to sell its products or services to any other party, including Company competitors. In some cases where the products or services have been designed, developed or manufactured to the Company's specifications, the agreement between the parties may contain restrictions on sales to others where this is lawful to do.

PROTECTING CUSTOMER/THIRD-PARTY INFORMATION PRIVACY

Keeping customer information secure and using it appropriately is a top priority for our company. We must safeguard any confidential information customers or third parties share with us. We must also ensure that such information is used only for the reasons for which the information was gathered, unless further use is allowed by law.

Customer or third-party information includes any information about a specific customer/third party, including name, address, phone numbers, financial information, etc. We do not disclose any information about a third party without written approval unless legally required to do so (for example, under a court-issued subpoena).

EXAMPLE:

Question: I just received a call from a government agency requesting information about one of our customers. Should I provide the requested information?

Answer: You should contact the Legal Department before providing any information about a customer to a third party.

Our company always seeks to cooperate fully with valid law enforcement investigations in accordance with applicable local law, but it must also take into account certain additional considerations, such as contractual obligations and the potential liability to a customer for providing information beyond that which is appropriate under the law.

INTELLECTUAL PROPERTY AND PROTECTING IP

Our intellectual property is one of our most valuable assets. Intellectual property refers to creations of the human mind that are protected by various national laws and international treaties. Intellectual property includes copyrights, patents, trademarks, trade secrets, design rights, logos, expertise and other intangible industrial or commercial property. We must protect and, when appropriate, enforce our intellectual property rights. We also respect intellectual property belonging to third parties. It is our policy not to knowingly infringe upon the intellectual property rights of others.

DISCRIMINATION AND HARASSMENT

The diversity of Rackers is a tremendous asset. We are firmly committed to providing equal opportunity in all aspects of employment and will not tolerate discrimination or harassment of any kind. All employment-related decisions must be based on company needs, job requirements and individual qualifications. We must always take full advantage of what our team members have to offer, listen, and be inclusive. We do not tolerate harassment or discrimination against anyone – team members, customers, business partners or other stakeholders – on the basis of age, gender, marital status, race, veteran status, color, gender identity, military status, religion, disability, genetic information, national origin, sexual orientation or any other status protected by the laws or regulations in the locations where we operate.

We comply with laws regarding employment of immigrants and non-citizens and provide equal employment opportunity to everyone who is legally authorized to work in the applicable country.

We provide reasonable accommodations to qualified individuals with disabilities and remove any artificial barriers to success.

As is the case with any violation of the Code, you have a responsibility to report any discriminating or harassing behavior or condition, even if you are not directly involved or are just a witness. Retaliation for making a complaint or for assisting in the investigation of a discrimination or harassment complaint is prohibited.

You should report any acts of discrimination or harassment to:

- Your manager or any Rackspace manager;
- Your human resources representative;
- The General Counsel or any member of the legal team;
- Call the specific country phone number or click a link to file a report online at www.rackspace.ethicspoint.com

EXAMPLES:

Question: Sometimes my manager favors certain employees with overtime and good job assignments. I think I am being discriminated against. What should I do?

Answer: You need to discuss this with your manager. Tell your manager that you feel you are not being treated fairly in terms of job assignments and overtime. Give him or her specific examples. If your manager is unresponsive or if you have any fear of retaliation, contact your human resources representative, the Hotline or a member of the legal team.

Question: During a department presentation I asked a question. I felt the response I received was abusive and I felt humiliated. Several other people in the room started to laugh. What should I do?

Answer: Our Company encourages open communication, differing opinions on issues and healthy debate when decisions are being made. However, disagreements must be handled professionally and respectfully. Talk to the individual who made you uncomfortable, or contact your manager or your human resources representative.

HEALTH AND SAFETY

The Company strives to provide each employee with a healthy and safe work environment. Each employee has responsibility for maintaining a safe and healthy workplace by following the applicable health and safety rules and practices and reporting accidents, injuries and unsafe equipment, practices or conditions as per local country procedures. Contact your manager for more information.

RECORD-KEEPING

The Company requires honest and accurate recording and reporting of information in order to make responsible business decisions. For example, only the true and actual number of hours worked by an employee should be reported.

Many Rackers regularly use business expense accounts. These accounts must be properly documented and expenses recorded accurately for reimbursement. If you are not sure whether a certain expense is authorized for reimbursement, ask your manager.

The Company's books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect the Company's transactions, and must conform both to applicable legal requirements and to the Company's system of internal controls. All assets of the Company must be carefully and properly accounted for. Written contracts with customers, suppliers and others must be reflective of the entire agreement. Unreported side agreements are prohibited. The making of false or misleading records or documentation is strictly prohibited. Unrecorded or "off the books" funds, assets or personnel benefits such as time off should not be maintained unless permitted by applicable law or regulation and approved by the General Counsel and Chief Financial Officer.

The Company complies with all laws and regulations regarding the preservation of records. Records should be retained or destroyed only in accordance with the Company's document retention policies. Any questions about these policies should be directed to the Company's General Counsel.

Business records and communications often become public, and we should avoid exaggeration, defamatory or otherwise derogatory remarks, guesswork or inappropriate characterizations of people and companies that can be misunderstood. This applies equally to all forms of communication, including, for example, telephone calls, emails, blog postings, chatrooms, bulletin board postings and instant messaging. Professionalism in all communications is our goal.

PROPRIETARY AND CONFIDENTIAL INFORMATION

Confidential information includes all non-public information that might be of use to competitors, or harmful to Rackspace or its customers, partners or suppliers, if disclosed. It also includes information that partners, suppliers and customers have entrusted to us. This includes Rackers trading stocks of other companies about which they learn material, non-public information through the course of their employment or service. The obligation to preserve confidential information continues even after employment ends. In connection with this obligation, every employee is required to execute a confidentiality agreement upon commencement of employment with the Company. The terms of the confidentiality agreement (which may be contained within an agreement of employment) should be periodically reviewed for additional detail. Any question about whether information is confidential should be directed to the General Counsel.

EXAMPLE:

Question: We hired a person who formerly worked for a competitor. She is aware of proprietary and confidential information about her former employer. Is it okay for her to share this information at Rackspace?

Answer: No. Rackspace's policy prohibits disclosing proprietary, technical information and confidential business information about her former company. Even if it were accidentally disclosed, you cannot use the information. Simply stated, our company will treat proprietary and confidential information about other companies in the same way that we expect former Rackers to treat our confidential information after leaving.

PROTECTION AND PROPER USE OF COMPANY ASSETS AND RESOURCES

Rackspace provides an array of information and technology resources intended to maximize our efficiency in carrying out your job, such as: email, computers, computer applications, networks, the internet, the intranet, facsimile machines, cell phones, other wireless communication devices, telephones and voicemail systems. Please remember that these tools are company property and must be used in a manner that reflects positively on Rackspace and all who work here. Occasional, limited personal use of these resources is permitted, but cannot interfere with your work performance, or the work performance of your colleagues. We cannot tolerate inappropriate or illegal use of these assets and reserve the right to take appropriate disciplinary actions as needed, up to and including termination of employment. Such inappropriate use of these resources can include, but is not limited to, the following:

- Hacking;
- Pirating software or video/audio files;
- Sending inappropriate email;
- Accessing inappropriate websites (such as those advocating hate, violence, sexually explicit material or promoting illegal activities);
- Distributing confidential, proprietary or trade secret information of Rackspace outside the company.

Rackspace reserves the right to monitor and inspect, without notice, the use of its information and technology resources.

ANTI-CORRUPTION/ANTI-BRIBERY

Many countries have laws that prohibit bribery, kickbacks and other improper payments. We require all employees, officers, agents and independent contractors acting on behalf of Rackspace to strictly abide by these laws. No Rackspace employee, officer, agent or independent contractor acting on our behalf may offer or provide bribes or other improper benefits in order to obtain business or an unfair advantage. A bribe is defined as the offer, promise, giving, demand or acceptance of a gift, hospitality or other business advantage as an inducement for something in return, such as, for example, the award of a contract.

The exchange of appropriate gifts and entertainment is often a way to build our business relationships. When determining whether a gift or entertainment is appropriate, consider its value and whether its public disclosure would embarrass you or Rackspace. Never allow a gift or entertainment to compromise your professional judgment or create the appearance of doing so. See the Gifts and Entertainment section below for more information. It is never acceptable to accept or provide any gift, entertainment or hospitality that is conditional on receipt of something in return. Receipt of cash by a Racker is never acceptable, regardless of the amount. This would include the receipt of a gift card that contains a logo and can be used at any location for any purpose (i.e., Visa, AMEX).

You must avoid participating in commercial bribery and kickbacks, or even the appearance of it, in all of our business dealings. For reference,

- Commercial bribery involves a situation where something of value is given to a current or prospective business partner with the intent to obtain business or influence a business decision; and
- Kickbacks are agreements to return a sum of money to another party in exchange for making or arranging a business transaction.

Even in locations where such activity may not, technically speaking, be illegal, it is prohibited by our company policy. Any form of bribery is not only a breach of Rackspace's policy, but may be a criminal offense. Rackers may be prosecuted for such acts. Furthermore, Rackspace may be found liable not only for the acts of its Rackers, but also for failing to prevent such acts by others working on its behalf.

Offering a gift or entertainment that could be perceived as a bribe becomes especially problematic when dealing with a government official. Government official includes any government employee, candidate for public office or employee of government-owned or -controlled companies, public international organizations or political parties. You must not offer payment or anything of value to a government official for the purpose of influencing official action or securing an improper advantage. If Rackspace cannot obtain a contract without paying a bribe, you should walk away from the deal and immediately report the matter to the General Counsel. Our reputation for integrity is more important than the profit from any contract.

You should be alert to a possible violation if any of the following occur:

- A request that a commission be paid in cash, in another name or to an address in another country;
- Unexplained large expenses on a travel and entertainment expense report;
- An agent demanding a higher-than-normal commission for a transaction;
- Any agent or salesperson who says he or she is working with a government official to give our company the contract.

You should report any acts you believe are in violation of anti-bribery laws to:

- The General Counsel or appropriate legal representative;
- Call the specific country phone number or click a link to file a report online at www.rackspace.ethicspoint.com

EXAMPLES:

Question: Can a foreign company pay for a Racker's travel to visit their facilities in the foreign country?

Answer: Yes. Travel must be directly related to promoting, demonstrating or explaining Rackspace's products or services or executing or performing a contract. The amount should be reasonable in light of the business purpose and in line with what that company would reimburse its own employees. The other company should not pay for a side trip to Vegas or an employee's shopping trip in Paris. Entertainment must be proportional to the business purpose of a trip.

Question: What is the difference between a “gift” and a “bribe”?

Answer: A “gift” is made with “no strings attached” in the interest of, for example, building a business relationship or expressing thanks. A “bribe” occurs if you accept or give something of value to someone in return for something else, such as the award of business or the exercise of the other’s discretion or influence.

GIFTS AND ENTERTAINMENT

Gifts and entertainment can create goodwill in our business relationships, but can also make it hard to be objective about the person providing them. Our choice of suppliers, vendors and partners must be based on objective factors like cost, quality, value, service and ability to deliver. We must avoid even the appearance of making business decisions based on gifts received through these relationships. Giving or accepting gifts of nominal value is acceptable as long as your business unit does not have a more stringent requirement. Infrequent business entertainment is appropriate provided it isn’t excessive, and it does not create the appearance of impropriety. Rackspace has implemented a Gift Register (the link is on InsideRack), which will log all requests to give or receive gifts, hospitality or other awards capable of being perceived to be an inducement that exceeds the de minimus value as set out by the Company.

When giving gifts or offering to entertain a business partner, ensure that your offer does not violate the recipient’s own policies. If you work with public officials, be aware that even simple offers such as purchasing a meal or refreshments may be unacceptable or even against the law. Contact the General Counsel before providing any gift or entertainment to a public official.

EXAMPLES:

Question: I received a gift from a customer, but I am unsure of its value. How do I know if I need to disclose it in the Gift Register?

Answer: You do not need to seek approval of very modest items, unless other people could reasonably construe them as influencing your business decisions. You should use your best judgment to estimate the value of the gift you received and the need to seek appropriate approval. If in any doubt, always err on the side of asking for approval. If you have any doubt about an item’s value or its implications in relation to an actual or perceived conflict of interest, you should discuss the situation with your manager and the Legal Department.

Question: A supplier just offered me a 15% personal discount. Is this appropriate?

Answer: You cannot accept a personal discount unless the supplier offers the discount to all Rackspace employees. Contact our Workplace Services team to discuss whether the discount qualifies as a “Racker Deal.”

DISCLOSURE

The information in the Company’s public communications must be full, fair, accurate, timely and understandable. All Rackers are responsible for acting in furtherance of this policy. In particular, each Racker is responsible for complying with the Company’s disclosure controls and procedures and internal controls for financial reporting. Any questions concerning the Company’s disclosure controls and procedures and internal controls for financial reporting should be directed to Rackspace’s Chief Executive Officer or Chief Financial Officer, as appropriate.

COMMUNICATING WITH EXTERNAL PARTIES

Rackspace employees are not authorized to speak with the media, or other third parties on behalf of our company, unless authorized by our Media Relations Department. Unless authorized, do not give the impression that you are speaking on behalf of Rackspace in any communication that may become public. This includes posts to online forums, social media sites, blogs, chatrooms and bulletin boards. This policy also applies to comments to journalists about specific matters that relate to our businesses, as well as letters to the editor and endorsements of products or services.

To ensure professional handling, all media requests should be directed to the Media Relations Department. Contact information for media inquiries can be found on our public website at: www.rackspace.com under the Contact Information page.

EMPLOYEE INFORMATION PRIVACY

We respect the privacy of our employees and will protect personal and confidential information that we are required to obtain for operating or legal purposes. Access to confidential information, such as personnel and medical records, is strictly limited by company policy and government privacy laws and regulations. You may have the right to access your own confidential information, but you may not access or use the employee records of others unless authorized to do so. While we respect employees' privacy, we reserve the right to inspect our facilities and property, such as computers, mobile phones, telephone records, lockers, emails, files, business documents and work spaces. Employees should not expect privacy when using company-provided services or equipment, or when using personal equipment to conduct Company business.

SOCIAL RESPONSIBILITY

We pride ourselves on being a company that operates with integrity, makes good choices and does the right thing in every aspect of our business. We will continually challenge ourselves to define what being a responsible company means to us, and work to translate our definition into behavior and improvements at Rackspace. We seek to align our social and environmental efforts with our business goals and continue to develop both qualitative and quantitative metrics to assess our progress.

HUMAN RIGHTS

We are committed to upholding fundamental human rights and believe that all human beings around the world should be treated with dignity, fairness and respect. Our company will only engage suppliers and direct contractors who demonstrate a serious commitment to the health and safety of their workers, and operate in compliance with human rights laws. Rackspace does not use or condone the use of slave labor or human trafficking, denounces any degrading treatment of individuals or unsafe working conditions, and supports our products being free of conflict minerals.

WAIVERS OF THE CODE OF BUSINESS CONDUCT AND ETHICS

Rackspace may waive certain policies set forth in this Code where circumstances warrant granting a waiver based on the best interests of Rackspace and its stakeholders. Any waiver pertaining to an employee must be approved by the General Counsel and by the Chief Executive Officer. Waivers of the Code for Directors and executive officers may be made only by those members of the Board of Directors not involved in the possible waiver and must be promptly disclosed as required by law or regulation. Please contact the General Counsel for additional information.

This Code may be amended or modified by Rackspace at any time.

SUMMARY

The Rackspace Code of Conduct is intended to provide you with a better understanding of what is expected of you, and the legal and ethical standards the Company must maintain. Understanding what is expected of you will better enable you to meet your responsibilities and better enable the Company to continue to grow and prosper in a responsible manner to the benefit of our shareholders, employees, customers and the communities where we live and do business.

ABOUT RACKSPACE

Rackspace, the #1 managed cloud company, helps businesses tap the power of cloud computing without the complexity and cost of managing it on their own. Rackspace engineers deliver specialized expertise, easy-to-use tools, and Fanatical Support® for leading technologies developed by AWS, Google, Microsoft, OpenStack, VMware and others. The company serves customers in 150 countries, including more than half of the FORTUNE 100. Rackspace is a leader in the 2017 Gartner Magic Quadrant for Public Cloud Infrastructure Managed Service Providers, Worldwide, and has been honored by Fortune, Forbes and others as one of the best companies to work for.

Learn more at www.rackspace.com or call us at **1-800-961-2888**.

NOVEMBER 3, 2017

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