



## **XO GROUP INC.**

### **INSIDER TRADING POLICY**

The following is the insider trading policy of XO Group Inc. (“XO Group” or the “Company”) that outlines the procedures that all personnel must follow. This policy and these procedures arise from our responsibilities as a public company. Failure to comply with these procedures could result in a serious violation of the securities laws by you and/or XO Group and can involve both civil and criminal penalties. It is important that you review our policy carefully. The insider trading policy provides as follow:

#### **I. Definition of Insider: Reason for Policy**

An “insider” is a person who possesses, or has access to, material information concerning XO Group that has not been fully disclosed to the public (see below for a definition of “material information”). Insiders may be subject to criminal prosecution and/or civil liability for trading (purchase or sale) in XO Group’s stock when they know material information concerning XO Group that has not been fully disclosed to the public.

Persons found liable for insider trading face penalties of up to three times the profit gained or loss avoided, a criminal fine of up to \$1 million, and up to 10 years in jail. XO Group (and its Officers and Directors) could face penalties, the greater of \$1 million or three times the profit gained or loss avoided, as a result of the Employee’s violation and/or a criminal penalty of up to \$2.5 million for failing to take steps to prevent insider trading. Finally, in addition to the potential criminal and civil liabilities mentioned above, in certain circumstances XO Group may be able to recover all profits made by an insider, plus collect other damages.

Without regard to the penalties that may be imposed by others, willful violation of this policy constitutes grounds for dismissal from the Board of Directors, termination of your employment or, with respect to Representatives, termination of the contract. Insider trading proscriptions are not limited to trading by the insider alone; it is also illegal to advise others to trade on the basis of undisclosed material information. Liability in such cases can extend both to the “tippee”- the person to whom the insider disclosed inside information – and to the “tipper,” the insider himself.

Finally, insider trading can cause a substantial loss of confidence in XO Group and its stock on the part of the public and the securities markets. This could obviously have an adverse impact on XO Group and its stockholders.

## **II. Applicability of Policy**

This policy applies to all transactions in XO Group's stock by "insiders." As a rule of thumb, insiders are (1) members of the Board of Directors and officers of XO Group, (2) any employee of XO Group and its subsidiaries, and (3) any consultant, representative, or independent contractor ("Representative") who knows material information regarding XO Group that has not been fully disclosed to the public. This policy also applies to the immediate families (defined as direct family members living in the same household) of such insiders. A person can be an insider for a limited time with respect to certain material information even though he or she is not an officer or director. For example, a secretary who knows that a large contract has just been received or that an acquisition is about to occur may be an insider with respect to that information until the news has been fully disclosed to the public.

## **III. Definition of Full Disclosure**

Full disclosure to the public generally means that a press release followed by dissemination in a manner making it generally available to investors through such media as The Wall Street Journal. A speech to an audience, a TV or radio appearance, or an article in an obscure magazine does *not* qualify as full disclosure. Full disclosure means that the securities markets have had the opportunity to digest the news. Generally, a full day following publication in such media (or release to national wire services), or two full trading days after the announcement, is regarded as sufficient for dissemination and interpretation of material information.

## **IV. Definition of Material Information**

It is not possible to define all categories of material information. In general, information should be regarded as material if there is likelihood that it would be considered important by an investor in making a decision regarding the purchase or sale of XO Group's stock. Although, it may be difficult under this standard to determine whether certain information is material, there are various categories of information that would almost always be regarded as material. Examples of such information are:

1. Major corporate partnering transactions or proposed acquisitions or divestitures
2. Resignation of key personnel
3. Receipt, cancellation or deferral of significant purchase orders
4. New project or product announcements of a significant nature
5. Material pricing changes
6. Proposed commencement or changes in dividends
7. Planned stock splits
8. New equity or debt offerings

9. Significant litigation exposure
10. Any factors which would cause the Company's financial results to be substantially different from analyst estimates.

If any insider has questions as to the materiality of information, he or she should contact the Legal Department of the Company for clarification.

Further, any officer, director, or employee who believes he or she would be regarded as an insider who is contemplating a transaction in XO Group's stock must contact the Chief Financial Officer of the Company prior to executing the transaction to determine if he or she may properly proceed. Officers and directors should be particularly careful, since avoiding the *appearance* of engaging in stock transactions on the basis of material undisclosed information can be as important as avoiding a transaction *actually* based on such information.

In addition to the requirement that employees not trade in Company's stock when in possession of inside information, all employees are prohibited from trading during "black-out" period trading window defined below in "Specific Requirements".

## **V. No Exceptions**

There are no exceptions to the prohibition against impermissible insider trading. For example, it does not matter that the transactions in question may have been planned or committed to before the insider came into possession of the undisclosed material information, regardless of the economic loss that the person may believe he or she might suffer as a consequence of not trading.

As noted above, this policy applies to the immediate families of insiders. Although immediate family is narrowly defined, an employee should be especially careful with respect to family members or to unrelated persons living in the same household.

Finally, remember that there are no limits on the size of a transaction that will trigger insider trading liability; relatively small trades have in the past occasioned SEC investigations and lawsuits.

## **VI. Specific Requirements**

1. Prior to disclosure to any third party, any officer, director or employee who is aware of any material information concerning XO Group (see "Definition of Material Information" above) that has not been disclosed to the public should report the intention to disclose such information promptly to the Legal Department of the Company and obtain approval to do so.
2. Employees, officers and directors may not engage in a transaction (purchase or sale) in XO Group's stock at any time between the date on which any non-public material information becomes known to the individual and the close of business on the second stock exchange trading day *after* such information is publicly disclosed.
3. In addition, to the restriction set forth in paragraph 2 above, no employee, officer or director may engage in a transaction (purchase or sale) in XO Group's stock between (and including) (a)

the first day of the third calendar month of each fiscal quarter (or, if later, the fifteenth business day following the public announcement of the financial results of the Company's operations for the prior quarter, but in no event later than the first day of the next fiscal quarter), and (b) the close of business on the second business day *after* the financial results of the Company's operations for such quarter are publicly announced.

4. No insider may engage in transactions of a speculative nature at any time. All insiders are prohibited from short-selling XO Group's Common Stock or engaging in transactions involving derivative securities based on XO Group's Common Stock. "Derivative Securities" are options, warrants, stock appreciation rights or similar rights whose value is derived from the value of an equity security, such as XO Group Common Stock. This prohibition includes, but is not limited to, trading in put and call option contracts based on XO Group's stock, transacting in straddles, and the like. However, as indicated below, holding and exercising options or other derivative securities granted under XO Group's employee stock option or equity incentive plans is not prohibited by this policy.
5. All Vice-President levels and above and all directors of XO Group must inform XO Group's Chief Financial Officer whenever they intend to execute a trade in XO Group securities, including the placing of limit orders. At the time of executing a trade in XO Group's securities, such individuals will be responsible for verifying that XO Group has not imposed any restrictions on their ability to engage in trades. If the individual has not completed the trade within five (5) business days of notification of the intention to trade, then the individual must reconfirm with XO Group's Chief Financial Officer that they intend to execute a trade and the individual must re-verify the nonexistence of any restrictions on such trade.
6. The Legal Department of XO Group has the authority to impose restrictions on trading in XO Group securities by appropriate individuals at any time, in addition to the automatic restriction imposed pursuant to paragraph 3 above. In such event, the Legal Department will notify the affected individuals, either personally or by voicemail, or by electronic mail, to inform them of the restrictions.
7. Any individual who has placed a limit order or open instruction to buy or sell XO Group's securities shall bear responsibility for canceling such instructions immediately in the event restrictions are imposed on their ability to trade in accordance with either paragraph 3 or 6 above.
8. No Officer or Employee of XO Group may participate in any directed share program (or similar program) of an affiliate of XO Group. Affiliates of XO Group may include but are not limited to vendors, advertisers, strategic partners or other business partners. Officers and Employees of XO Group should obtain approval from the Chief Financial Officer if there is any question as to the type of program they intend to participate in or whether or not such entity qualifies as an affiliate of XO Group, prior to participation.
9. *The only exceptions to the policy are set forth below.* It does not matter that the "insider" may have decided to engage in a transaction before learning of the undisclosed material information or that delaying the transaction might result in economic loss. It is also irrelevant that publicly disclosed information about XO Group, might, even aside from the undisclosed material information, provide a substantial basis for engaging in the transaction. You simply cannot trade in XO Group's stock while in possession of undisclosed material information about XO Group. The only exceptions to the policy are as follow:

(a) Exercise of a stock option under any of XO Group's Stock Incentive Plans. Note that this exception *does not* include a subsequent sale of the shares acquired pursuant to the exercise of the option under the Stock Incentive Plan.

(b) Acquisition of shares under XO Group's Employee Stock Purchase Plan, but this exception *does not* apply to a subsequent sale of the acquired shares.

(c) Bona fide gifts of securities are not deemed to be transactions for the purposes of this policy. Whether a gift is truly bona fide will depend on the circumstances surrounding each gift. The more unrelated the donee is to the donor, the more likely the gift would be considered "bona fide" and not a "transaction". For example, gifts to charities, churches and service organizations would clearly not be "transactions". On the other hand, gifts to dependent children followed by a sale of the "gift" securities in close proximity to the time of the gift may imply some economic benefit to the donor and, therefore, make the gift non-bona fide.

(d) Any transaction specifically approved in writing in advance by the Chief Financial Officer of the Company (including, without limitation, transactions effected pursuant to (i) a "blind trust" approved in advance by the CFO in which complete discretion to execute transactions in XO Group's securities is given by the insider to another person who is not an insider or otherwise subject to this policy, or (ii) a written trading plan approved in advance by the CFO, specifying purchases or sales of securities in amounts, at prices and on dates set forth in the plan, e.g., 200 shares at the market price on the first business day of each month).

(e) In connection with tax withholding obligations related to a restricted stock award granted under any of XO Group's Stock Incentive Plans, either (i) the withholding of one or more shares of common stock from the shares otherwise issuable upon the vesting of such award, or (ii) the delivery to the Company, at the time the shares vest, of one or more shares of common stock previously acquired by the holder of such

(other than in connection with the share vesting), in each case with an aggregate Fair Market Value (as defined in the relevant Stock Incentive Plan) such that the total tax withholding shall not exceed the Company's minimum statutory withholding obligations (based on minimum statutory rates for federal and state tax purposes, including payroll taxes, that are applicable to such supplemental income).

## **VII. Procedural Guidelines for Transactions by Officers and Directors**

The following procedures must be followed by Officers and Directors with respect to any purchase or sale of Company securities:

(a) Despite the above provisions, there may be times when there exists a corporate basis for requesting that each Officer or Director refrain from trading in XO Group's securities even though such trading would otherwise be permitted under Section VI. In order to comply with this restriction, Officers or Directors are reminded that all purchases and/or sales shall be cleared beforehand with XO Group's Chief Financial Officer. This restriction does not apply to stock purchases under the Employee Stock Purchase Plan or to the exercise of stock options.

(b) Before each transaction in XO Group's securities, each Officer and Director is required to contact the General Counsel regarding (i) compliance with Rule 144, if required; and (ii) the preparation of the requisite Form 4 to be filed with the SEC. The General Counsel will assist you in completing the Form 4 and will file it on your behalf with the SEC.

(c) All outside requests for information, comments or interviews (other than routine product inquiries) which may result in the dissemination of information must be directed to the Chief Financial Officer.

If you have any questions, please contact Gillian Munson, Chief Financial Officer of XO Group, at (212) 219-8556 or the Legal Department of XO Group, at [legal@xogrp.com](mailto:legal@xogrp.com).

Effective: June 12, 2014