

# **AMAZON.COM, INC.**

## **INSIDER TRADING GUIDELINES**

**January 2016**

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**Please read these Insider Trading Guidelines carefully and make sure you understand them. If you have any questions, please contact the Amazon.com Legal Department.**

### **The Need for Guidelines**

Federal and state laws prohibit buying, selling, or making other transfers of securities by persons who have material information that is not generally known or available to the public. This activity is generally known as “insider trading.” These laws also prohibit persons with material nonpublic information from disclosing this information to others who then trade. As a result, the Amazon.com Insider Trading Policy contained in Amazon.com’s Code of Business Conduct and Ethics prohibits you from trading in the stock or other securities of any company, including Amazon.com, when you have material nonpublic information about that company. These guidelines apply equally to employees (including short-term employees), outside directors, temporary workers, consultants, and independent contractors. These guidelines also apply to all persons living in your household, including family members and persons unrelated to you. You are responsible for ensuring that you and others living in your household do not violate federal or state securities laws, the Amazon.com Insider Trading Policy, or these guidelines.

### **Covered Transactions**

"Trading" includes purchases, sales and gifts of stocks, bonds, debentures, options, puts, calls, and other securities. Trading also includes transactions in Amazon.com securities contributed to your account in the Amazon.com 401(k) plan and sales of stock you acquire by exercising employee stock options or vesting in employee restricted stock units, as well as entering into or amending a Rule 10b5-1 trading plan to trade Amazon.com securities in the future (for more information about trading plans, click [here](#)). Trading includes both trades in the public market, such as the Nasdaq or other securities exchanges, and privately-arranged transactions. Making and changing “sell-all” or tax elections are also transactions covered by the Insider Trading Policy.

### **Covered Securities**

The prohibition on insider trading is not limited to trading in Amazon.com securities. It includes trading in the securities of other companies, such as:

- Amazon.com’s customers, suppliers, or strategic partners;
- Companies in which Amazon.com has invested; and

- Firms with which Amazon.com may be negotiating a major transaction, such as an acquisition, investment, or sale.

Remember that even if the information is not material to Amazon.com, it may nevertheless be material to another company.

## **Tipping**

You may not pass on material nonpublic information without express authorization by Amazon.com or recommend to others that they trade in stock or other securities based on material nonpublic information. "Tipping," which is the practice of disclosing material nonpublic information to others who then trade, violates the securities laws and can result in the same civil and criminal penalties that apply to insider trading. These laws and penalties apply even if you do not receive any money or derive any benefit from trades made by persons to whom you passed material nonpublic information.

## **Material Nonpublic Information**

**Material Information.** Information is material if there is a substantial likelihood that a reasonable investor would consider it important in deciding whether to buy, hold, or sell a security. Information that you could expect to affect the price of the security is likely material. Both positive and negative information can be material. Common examples of information that may be material include:

- Projections of future earnings or losses or changes in such projections.
- Actual earnings or losses.
- A pending or prospective joint venture, merger, acquisition, tender offer, or financing.
- A significant sale or purchase of assets.
- A significant new business or strategic relationship or a material change in, or the loss of, such a relationship.
- The gain or loss of, or material change in, a material contract, or the gain or loss of a material customer or supplier.
- The development or release of a major new product or service.
- Changes in a previously announced schedule for the development or release of a major new product or service.
- Changes in senior management, other major personnel changes (including layoffs or reorganizations), or labor negotiations.
- A dividend, stock split, securities repurchase, or securities offering.

- Financial liquidity problems.
- Significant changes in pricing or discount policies.
- The development or implementation of significant strategic responses to competitors' actions.

**Nonpublic Information.** Nonpublic information is information that is not generally known or available to the public. Usually, information can be considered available to the public when:

- It has been released to the public through appropriate channels, e.g., by means of a press release or a widely disseminated statement from a senior officer, and
- Enough time has elapsed to permit the investment market to absorb and evaluate the information.

## Trading Windows

The Legal Department will from time to time identify persons who are allowed to trade Amazon.com securities only during the trading window. For a current description of people subject to the trading window, click [here](#). Prior to the beginning of each trading window, the Legal Department will provide all employees with a description of those employees who are subject to the trading window.

Trading windows are pre-announced and generally begin on the third business day after each release of quarterly earnings and extend until the end of the second month of each quarter. Even during this trading window period, you still may not trade if you have material nonpublic information about Amazon.com. Even if you are not subject to the trading window, you are encouraged to restrict your trading to the trading window periods.

## Trading Preclearance

The Legal Department will from time to time identify persons who must contact the Legal Department to obtain prior approval for any transaction in Amazon.com securities. For a current description of people subject to preclearance, click [here](#). If you are subject to preclearance, prior to the beginning of each trading window, the Legal Department will notify you of this fact. Although this preclearance requirement does not apply to a transaction that consists only of a stock option exercise, it does apply to sales of stock acquired upon the exercise of a stock option, including same-day sales and cashless exercises.

If you are precleared by the Legal Department, you may trade in the securities within a limited period of time after receiving permission, usually two to five business days, as stated in the communication from the Legal Department preclearing you. Of course, if you acquire material nonpublic information concerning Amazon.com during that time, you may not effect the transaction even if you were precleared. If you do not complete the transaction for any reason within the prescribed period, you must obtain preclearance again before proceeding.

If the Legal Department advises you that you are not precleared, then you may not effect any trades in the securities under any circumstances, and you must not inform anyone within or outside of Amazon.com of the restriction. In addition, from time to time the Legal Department may advise you that no trading will be permitted until further notice. In that case you may not disclose such restriction to anyone within or outside Amazon.com.

### **Speculative Transactions and Hedging**

The Legal Department must preclear any speculative transaction or hedge involving Amazon.com securities, such as trades in puts or calls and purchasing on margin. The Legal Department will generally consider approving such a transaction only if:

- It is a protective trade in puts, calls, or similar instruments to hedge an existing investment in Amazon.com securities.
- It is initiated during a trading window if you are restricted to trading only during the trading window, and
- It settles automatically, with no discretion by any party as to the timing or manner of settlement, at least six months later.

You may never enter into any speculative transaction or hedge when you are in possession of material nonpublic information. Any employee entering into such a transaction will be subject to both the trading window and preclearance until the transaction settles.

### **Personal Responsibility; Assistance**

You should remember that you bear the ultimate responsibility for adhering to these guidelines and avoiding improper trading. You must use your best judgment. **If you violate these guidelines, we may take disciplinary action against you, including dismissal for cause. If you have any questions about the Insider Trading Policy or these guidelines, you should seek additional guidance from the Legal Department.**

## **Persons Subject to the Trading Window**

**January 2016**

The following persons (and persons who share their home) are subject to the trading window:

- The members of the Board of Directors and any consultant to the Board of Directors.
- Officers of Amazon.com, Inc. and their administrative assistants.
- All employees Level 8 and above for purposes of Amazon.com's compensation administration program (or any similar level in any new ranking scheme).
- All employees in the chain of individuals who ultimately report to the Chief Financial Officer, except non-director level employees who are primarily engaged in accounts payable, accounts receivable, and other functions unrelated to finance or financial planning, accounting, tax, or investor relations.
- All employees in the Legal Department (including Protective Services).
- All employees in the Public Policy Department.
- All employees in the Information Security (InfoSEC) Department.
- All employees subject to preclearance.
- Any employee:
  - who receives or has access (through a named account or otherwise) or has the ability to grant himself or herself access to one or more of the following:
    - ACB,
    - data warehouse (through DSS, ETL Manager, Cognos, SQL or otherwise),
    - the General Ledger of Oracle Financial,
    - DSS,
    - ETL Manager,
    - Cognos Reporting or Cognos Planning,
    - Essbase revenue cubes or Essbase planning cubes,
    - the Contribution Profit Tool,
    - WebLab Analyst,
    - the Weekly Business Review website,
    - the Global Financial Reporting website,
    - the Sales and Operations Planning website,
    - Worldwide, US or international daily sales flash, as well as blackberry sales flash,

- Weekly business review package,
  - Weekly scorecard,
  - Weekly or monthly measurement package,
  - Weekly current estimate,
  - Global Payments Services metrics deck,
  - Area conversion reports,
  - Daily revenue reports,
  - Tech scorecard,
  - Oracle monthly financial statements,
  - the bad debt deck,
  - CDB,
  - GFS DataMart
  - Web Analytics: Daily/Weekly Orders and Feature Analyzer,
  - Spartan Analytics,
  - Broadway,
  - the CFO's quarterly management report,
  - Fortune,
  - the Merchant Feed Applications (MFA) Ops tool,
  - the Consumer FP&A Operating Profit Per Unit (OPPU) report,  
or
  - the Rocket Cloud Calculator (RC2).
- Additional employees who have been notified in writing by the Legal Department.

## **Persons Subject to Preclearance**

**January 2016**

The following persons are subject to preclearance with respect to their transactions in Amazon.com securities, as well as transactions by persons who share their home:

- The Board of Directors and any consultants to the Board of Directors.
- Officers of Amazon.com, Inc. and their administrative assistants.
- All members of the Legal Department.
- All members of the Public Policy Department.
- All members of the Investor Relations Department.
- All members of the Treasury Department, except employees who are primarily engaged in Risk Management.
- All employees at the Director level or above who are in the PR Department.
- Additional employees who have been notified in writing by the Legal Department.

## INSIDER TRADING Q&A

January 2016

Below are some questions and responses regarding the application of the Amazon.com Insider Trading Policy (the “policy”) and the Company’s Insider Trading Guidelines (the “guidelines”). If you have any questions about how the policy or guidelines might apply to you in a particular situation, please email [stockpolicy@amazon.com](mailto:stockpolicy@amazon.com).

### What is "insider trading"?

Insider Trading is using **material information** that is **not known to the general public** to gain an advantage in trading (that is, buying, selling, or otherwise dealing in) the securities of a company.

### What is material nonpublic information?

**Material information.** Information is material if there is a substantial likelihood that a reasonable investor would consider it important in deciding whether to buy, hold, or sell a security. Information that you could expect to affect the price of the security is likely material. Both positive and negative information can be material. There is no exception for transactions that may seem necessary or justifiable for independent reasons, such as the need to raise money for an emergency expenditure. Common examples of information that may be material include:

- Projections of future earnings or losses or changes in such projections.
- Actual earnings or losses.
- A pending or prospective joint venture, merger, acquisition, tender offer, or financing.
- A significant sale or purchase of assets.
- A significant new business or strategic relationship or a material change in, or the loss of, such a relationship.
- The gain or loss of, or material change in, a material contract, or the gain or loss of a material customer or supplier.
- The development or release of a major new product or service.
- Changes in a previously announced schedule for the development or release of a major new product or service.



- Changes in senior management, other major personnel changes (including layoffs or reorganizations) or labor negotiations.
- A dividend, stock split, securities repurchase, or securities offering.
- Financial liquidity problems.
- Significant changes in pricing or discount policies.
- The development or implementation of significant strategic responses to competitors' actions.

Both positive and negative information can be material. Federal and state investigators will scrutinize a questionable trade after the fact with the benefit of hindsight, so you should always err on the side of deciding that the information is material and not trade. If you have questions regarding specific information, please contact the Legal Department.

**Nonpublic information.** Nonpublic information is information that is not generally known or available to the public. Usually, information can be considered available to the public when:

- It has been released to the public through appropriate channels, e.g., by means of a press release or a widely disseminated statement from a senior officer, and
- Enough time has elapsed to permit the investment market to absorb and evaluate the information.

We all must maintain the confidentiality of Company information for competitive, security, and other business reasons, as well as to comply with securities laws.

All information you learn about Amazon.com or its business plans is potentially nonpublic information until we publicly disclose it. You should treat this information as confidential and proprietary to Amazon.com. You may not disclose it to others, such as relatives, friends, or business or social acquaintances.

Also, legal rules govern the timing and nature of our disclosure of material information to outsiders or the public. Violation of these rules could result in substantial liability for you, Amazon.com, and its management. For this reason, we permit only specifically designated representatives of Amazon.com to discuss the Company and its affiliates with the news media, securities analysts, and investors. If you receive inquiries of this type, you should refer them to our Investor Relations or Public Relations Department.

### **What if I trade in puts and calls but not directly in the stock of the Company?**

Any kind of transaction concerning the Company's securities is subject to the policy. The insider trading laws cover not only direct trades in the securities of a company, but also

trades in instruments whose value is dependent to some degree upon those securities, such as puts, calls, warrants, and other types of option securities. Such instruments are known as "derivative securities." A "put" is an option to sell by the holder -- a put option gives the holder of the put the right to cause, upon exercise, the writer of the put to buy stock. A "call" is an option to buy by the holder -- a call option gives the holder of the call the right to cause, upon exercise, the writer of the call to sell stock. There are many variations in the duration, exercisability, and other terms of these instruments. A trade by any employee in derivative securities must be cleared in advance with the Legal Department, regardless of whether that employee is otherwise subject to preclearance or to the trading window, even if that employee is not in possession of material nonpublic information. Any employee entering into such a transaction will be subject to both the trading window and preclearance until the transaction settles.

**What if I may have inside information, but that information isn't what is motivating me to make the trade?**

Your motivation will likely be irrelevant if your trade is scrutinized by federal and state securities regulators and prosecutors. If it appears possible that you traded on the basis of inside information, you are at risk of receiving the full penalties for a violation of the insider trading laws.

**What if I pass on inside information to a relative or acquaintance and they make a trade that benefits them but not me?**

Passing on inside information about a company to others who then trade the securities of that company is called "tipping" and you may be found to be just as liable as the person to whom you gave the information for a violation of the insider trading laws, even if you did not profit from the trade yourself.

**What are the personal consequences of trading on inside information?**

The consequences include monetary penalties in the form of civil fines of up to three times the profit gained or loss avoided by the trade and criminal fines of up to \$5,000,000, as well as criminal sentences of up to 20 years in prison. The Company may take disciplinary action, including dismissal for cause.

**Why does the Company care if I violate the insider trading laws?**

When employees of a company engage in insider trading, it typically is prominently reported in the media. Unfavorable press of this kind could harm our reputation and our business. In addition, the Company has a duty to take steps to reduce the likelihood that persons associated with the Company will violate the insider trading laws. Under certain circumstances, the Company itself may face liability for civil fines of up to the greater of \$1,525,000 and three times the amount of the profit gained or loss avoided as a result of the unlawful trade.

### **Why does the Company have the policy and guidelines?**

Like most public companies, the Company has adopted the policy, which is part of its Code of Business Conduct and Ethics. The Securities and Exchange Commission expects every public company to adopt and enforce such a policy. The Company also publishes guidelines to inform and educate employees and others about federal and state insider trading laws and to establish rules of behavior (like preclearance and trading windows) to promote compliance with those laws.

### **Who is covered by the policy?**

The policy applies to all members of the Company's Board of Directors, and all employees (including short-term employees), temporary workers, consultants, and independent contractors. Further, all of the restrictions in the policy and guidelines also apply to people who share the same household with the people listed above. This includes family members who share a home with an employee, as well as any unrelated people who also live in the home.

### **How does the insider trading policy restrict my family members and others who share my home?**

Amazon.com's insider trading policy applies to persons who share your home (whether related to you or not) to the same extent that it applies to you.

### **How does the insider trading policy apply to me if I am an employee, temporary worker, consultant, or independent contractor of Zappos.com, Inc.?**

The insider trading policy applies to all employees (including short-term employees), temporary workers, consultants, and independent contractors of Zappos.com, Inc., as well as all people who share their household. Under the policy, the following persons, (and persons who share their home) are subject to the trading window: (1) Tony Hsieh, Fred Mossler, and employees who directly report to them; (2) employees in the Accounting and Finance departments, except employees in these departments who are primarily engaged in accounts payable, accounts receivable or other functions unrelated to finance or financial planning, accounting, or tax; (3) all members of the Legal Department; and (4) persons who receive or have access to the Amazon reports or systems described under the heading "Persons Subject to the Trading Window" in the Insider Trading Guidelines. In addition, Tony Hsieh, Fred Mossler, all members of the Zappos, Inc. Legal Department, and additional employees notified in writing by the Legal Department (as well as persons who share their household) are subject to preclearance before initiating transactions in Amazon.com securities.

### **How does the insider trading policy apply to me if I am an employee, temporary worker, consultant, or independent contractor of Quidsi, Inc.?**

The insider trading policy applies to all employees (including short-term employees), temporary workers, consultants, and independent contractors of Quidsi, Inc., as well as all people who share their household. Under the policy, the following persons (and persons who share their home) are subject to the trading window: (1) all employees Level 8 and above for purposes of Amazon.com's compensation administration program; (2) employees in the Accounting and Finance departments, except employees in these departments who are primarily engaged in accounts payable, accounts receivable, payroll or other functions unrelated to finance or financial planning, accounting, or tax; (3) all members of the Legal Department; (4) persons who receive or have access to the Amazon reports or systems described under the heading "Persons Subject to the Trading Window" in the Insider Trading Guidelines; and (5) all employees subject to preclearance. In addition, all members of the Quidsi, Inc. Legal Department and additional employees notified in writing by the Legal Department (as well as persons who share their household) are subject to preclearance before initiating transactions in Amazon.com securities.

**How does the insider trading policy apply to me if I am an employee, temporary worker, consultant, or independent contractor of Amazon Robotics LLC (formerly known as Kiva Systems LLC)?**

The insider trading policy applies to all employees (including short-term employees), temporary workers, consultants, and independent contractors of Amazon Robotics LLC, as well as all people who share their household. Under the policy, the following persons (and persons who share their home) are subject to the trading window: (1) Michael Mountz, Joseph Quinlivan, and employees who directly report to them; (2) all employees Level 8 and above for purposes of Amazon.com's compensation administration program; (3) employees in the Accounting and Finance departments, except employees in these departments who are primarily engaged in accounts payable, accounts receivable, payroll or other functions unrelated to finance or financial planning, accounting, or tax; (4) all members of the Legal Department; and (5) persons who receive or have access to the Amazon reports or systems described under the heading "Persons Subject to the Trading Window" in the Insider Trading Guidelines. In addition, Michael Mountz, Joseph Quinlivan, all members of the Amazon Robotics LLC Legal Department, and additional employees notified in writing by the Legal Department (as well as persons who share their household) are subject to preclearance before initiating transactions in Amazon.com securities.

**How does the insider trading policy apply to me if I am an employee, temporary worker, consultant, or independent contractor of Twitch Interactive, Inc.?**

The insider trading policy applies to all employees (including short-term employees), temporary workers, consultants and independent contractors of Twitch Interactive, Inc., as well as all people who share their household. Under the policy, the following persons (and persons who share their home) are subject to the trading window: (1) Emmett Shear, Elizabeth Baker, and Shirin Keen, and employees who directly report to them; (2) all employees Level 8 and above for purposes of Amazon.com's compensation administration program; (3) employees in the Accounting and Finance departments, except employees in these departments who are

primarily engaged in accounts payable, accounts receivable, payroll or other functions unrelated to finance or financial planning, accounting, or tax; (4) all members of the Legal Department; and (5) persons who receive or have access to the Amazon reports or systems described under the heading “Persons Subject to the Trading Window” in the Insider Trading Guidelines. In addition, Emmett Shear, Elizabeth Baker, and Shirin Keen, all members of the Twitch Interactive, Inc. Legal Department, and additional employees notified in writing by the Legal Department (as well as persons who share their household) are subject to preclearance before initiating transactions in Amazon.com securities.

**How does the insider trading policy apply to me if I am an employee, temporary worker, consultant, or independent contractor of Elemental Technologies, Inc.?**

The insider trading policy applies to all employees (including short-term employees), temporary workers, consultants and independent contractors of Elemental Technologies, Inc., as well as all people who share their household. Under the policy, the following persons (and persons who share their home) are subject to the trading window: (1) Samuel Blackman, John Ewert, Brian Lewis, Dan Marshall, and Keith Wymbs; (2) all employees Level 8 and above for purposes of Amazon.com’s compensation administration program; (3) employees in the Accounting and Finance departments, except employees in these departments who are primarily engaged in accounts payable, accounts receivable, payroll or other functions unrelated to finance or financial planning, accounting, or tax; (4) all members of the Legal Department; and (5) persons who receive or have access to the Amazon reports or systems described under the heading “Persons Subject to the Trading Window” in the Insider Trading Guidelines. In addition, Samuel Blackman, all members of the Elemental Technologies, Inc. Legal Department, and additional employees notified in writing by the Legal Department (as well as persons who share their household) are subject to preclearance before initiating transactions in Amazon.com securities.

**Does the policy cover transactions in shares I owned before I arrived at Amazon.com?**

The restrictions on trading in Amazon.com securities apply to any and all securities of the Company that you own or control or derive an economic benefit from, no matter how, when, or from whom you acquired them.

**What transactions are covered by the policy?**

The policy covers, among other things, the sale of shares received upon vesting of Amazon.com restricted stock units (“RSUs”). The policy does not cover the exercise of Amazon.com stock options granted to you by the Company but does cover the sale of the shares you receive from the Company following an exercise of a stock option (including shares sold in same-day sales and cashless option exercises). While the policy does not cover contributions by the Company of Amazon.com securities to your 401(k) account in connection with the employer-match program, it does cover subsequent transactions pursuant to your instructions involving those shares. The policy also applies when entering into or amending a

trading plan to trade Amazon.com securities in the future (for more information about trading plans, click [here](#)). Finally, the policy also covers all other securities of the Company, including derivatives, like puts, calls, and hedging instruments, regardless of who may issue or "write" those derivatives.

### **How does the policy apply to making or changing a “sell-all” election?**

Making or changing a “sell-all” election, meaning that all RSUs vesting for a given grant will automatically be sold on the vest date, is subject to the same restrictions as apply to trading. For example, if you are subject to the trading window, you may make or change such election only during the trading window, and if you are subject to preclearance, any such election or change would require preclearance. You must not make or change this election while in possession of material nonpublic information.

### **How does the policy apply to RSU shares sold to pay taxes?**

Generally, the vesting of RSUs results in the recognition of income by you and is a taxable event. On each vest date the Company must collect from you enough cash to cover the minimum tax withholding obligation that arises on that date. By accepting your RSU award, you are directing the broker to sell on your behalf on each vest date enough of your vested shares to pay the minimum tax withholding. Although the trading window and preclearance requirements do not apply to such tax withholding sales, any change in such direction, such as increasing the number of shares to be sold to cover the taxes or canceling a previous election to deliver cash instead of selling shares to cover the taxes, is subject to the insider trading policy, including the trading windows and preclearance. You may make such changes only when you do not have material nonpublic information, during an open trading window if you are restricted to the trading window, and only with preclearance from the Legal Department if you are subject to preclearance.

### **How does the policy apply to shares in my 401(k) account?**

The contribution of shares by the Company to your 401(k) account in connection with the employer-match program is not subject to the policy because it is not a transaction by you and you do not have control over the timing. However, if you give an instruction to sell your 401(k) employer-match shares, including by reallocating your investment percentages such that a sale of these shares occurs, you are subject to the policy. You may take such action only when you do not have material nonpublic information, during an open trading window if you are restricted to the trading window and only with preclearance from the Legal Department if you are subject to preclearance.

### **Does the policy apply to my investments in mutual funds and other managed investment portfolios that hold Amazon.com securities?**

The policy does not apply to trading in shares of mutual funds and managed investment portfolios that hold Amazon.com securities if: (1) you do not control the investment decisions on individual stocks within the fund or portfolio, and (2) Amazon.com securities do not

represent a substantial portion of the assets of the fund or portfolio. If you are looking to invest in a fund or portfolio that is heavily weighted with Amazon.com stock, please email [stockpolicy@amazon.com](mailto:stockpolicy@amazon.com).

### **What is a trading window and why is it necessary?**

A trading window is a specified time period during a quarter when individuals with access to certain sources of financial information are permitted to trade in the Company's securities. The trading window is an important tool to help ensure that employees and people who share their home do not possess material nonpublic information when they trade in the Company's securities. One significant piece of information about the Company's overall condition and performance is the Company's quarterly financial results. As a quarter progresses, more financial information about the quarter is available internally and the overall performance for the quarter becomes easier to predict. Employees who have access to this information have an advantage not enjoyed by the general investing public.

### **Who is subject to the trading windows?**

For a current description of people subject to the trading window, click [here](#). Prior to the beginning of each trading window, the Legal Department will provide all employees with a description of people subject to the trading window.

Your ability to trade may also be restricted if the Legal Department determines that you may be aware of specific nonpublic information. If you are ever restricted for this reason, you will receive notice of that fact.

**Regardless of your trading window status, any trade in derivative securities, such as puts, calls, and other hedging instruments, and any purchase of Amazon.com securities on margin, must be precleared in advance with the Legal Department, whether or not you are subject to preclearance.**

**If I am subject to the trading window because of my access to certain financial information, are there steps that I can take to become exempt from the trading window?**

If you are subject to the trading window only because you have access to certain databases and reports and you want to relinquish such access, you may do so by first obtaining your manager's approval and then terminating your access and/or sending an "unsubscribe" email to the person who manages the distribution of the applicable reports. You will not be able to trade outside future trading windows unless you terminate your access to the applicable databases and reports before a trading window closes. For example, if you have not terminated your access by May 31, you will not be able to trade after the trading window closes on May 31 but you would be able to do so after the next trading window closes if you continue to not have access through the next window close.

### **When are the trading windows?**

Generally, the trading window will open three business days after the public announcement of quarterly financial results, although the opening of a trading window can be delayed because of significant activities involving the Company that have not been publicly announced. The trading window generally closes at the end of the last trading day of the second month of the current quarter; however, it is possible that once opened the trading window could be closed due to major events affecting the Company which have not been publicly disclosed. There are four anticipated trading windows per year:

- Late January/early February through the last trading day of February.
- Late April/early May through the last trading day of May.
- Late July/early August through the last trading day of August.
- Late October/early November through the last day of November.

An email or other communication is sent Company-wide to announce the opening and the closing of each trading window.

**Is a transaction executed during a trading window but settled in the ordinary course after the trading window closes a violation of the policy?**

Although securities transactions generally are settled three trading days after the transaction is executed, the relevant date for determining whether the transaction occurred during the window is the date when you initiated the sale and not the date of settlement.

**What is "preclearance" and why is it necessary?**

Like the trading window, preclearance is a tool to help ensure that employees do not possess material nonpublic information when they (or people who share their homes) engage in a trade in the Company's securities, even during an otherwise open trading window. While the trading window guards against trades by those who have knowledge of the Company's quarterly financial performance, the preclearance process is intended to address trading by those who have information about activities and events, such as material acquisitions, significant new product launches, major financings, and other events that may be unrelated to the quarterly results.

**Who must have their trades precleared?**

For a current description of persons subject to preclearance, click [here](#). If you are subject to preclearance, you will receive a communication from the Legal Department notifying you of this fact prior to the beginning of each trading window.

You may also be required to preclear your trades in Amazon.com securities for a limited period of time if the Legal Department requires it as a result of the Company's business or activities. You will receive notification from the Legal Department if you are required to preclear for this reason.



## **How do I obtain preclearance?**

To request preclearance visit <http://preclearance.amazon.com> (Amazon network access is required) *during an open trading window* and complete the online form. After submitting your request, you will receive an automatic email reply either approving the request or noting follow up steps. If you *do not* have Amazon network access or are requesting preclearance for a gift transaction during a closed trading window, preclearance may be requested by sending an e-mail to [preclearance@amazon.com](mailto:preclearance@amazon.com). In your email: (1) describe the nature of the transaction (e.g., cashless option exercise, sale of vested RSU shares, adoption of trading plan, gift, etc.), (2) state the number of shares to be sold, acquired or transferred, if applicable, and (3) indicate whether or not you have material nonpublic information about the Company. If you are uncertain whether information that you possess is material and/or nonpublic, please contact a member of Legal Department by telephone to discuss any potentially material nonpublic information (see the FAQ entitled “Who should I contact if I have a specific question about the insider trading policy and don’t want to send an email?”).

If you are precleared to trade, you will receive an email stating the preclearance period (which is usually 2 to 5 business days). If you do not conclude your transaction during the preclearance period, you must request preclearance again.

## **Can I exercise my employee stock options during a closed trading window?**

The cash exercise of an employee stock option, where the exercise price is paid to the Company and all of the shares underlying the exercised option are kept by the employee, can be done at any time, whether or not the employee is restricted to the trading windows or preclearance. This is because a cash option exercise is a private transaction solely between the Company and the employee, and does not involve a transaction in the public market or with third parties. However, if you are restricted to the trading windows, you may not during a closed trading window, exercise an employee stock option by means of a same-day sale or cashless exercise, where some or all of the shares underlying the option are sold to pay costs related to the exercise and to provide cash to the optionee. If you are subject to preclearance, a same-day sale or cashless exercise of an option also must be precleared.

## **Does a hedge of my position in Amazon.com stock come under the policy?**

Hedging is a way to protect the value of your shares or unexercised or unvested stock-based awards from the volatility of the market. Hedging is generally accomplished by the acquisition of derivative securities (puts, calls or options) which limit the potential downside losses and upside gains. Because hedging involves the purchase or sale of securities whose value is dependent on the value of Amazon.com securities, hedging can only be done at times when you are permitted to buy and sell Amazon.com securities under the policy and guidelines. The Legal Department generally will consider approving a hedge that settles no earlier than six months from the date it is put in place and the time and method of settlement (i.e., whether settlement is made in cash, shares or some pre-determined combination of cash and shares) is irrevocably established when the hedge is initiated. All hedging activity and other speculative

trading by every employee must be cleared in advance with the Legal Department. Any employee entering into such a transaction will be subject to both the trading window and preclearance until the transaction settles.

**What if I have pledged Amazon.com stock to secure a margin loan, and I receive a margin call from the lender?**

When issuing a margin call, the lender usually gives you the choice of:

- Paying down the loan balance,
- Providing additional collateral, or
- Relinquishing some of the pledged shares for sale by the lender to reduce the loan balance.

You may not cause or permit any of your Amazon.com shares to be sold to satisfy a margin call if you are subject to the trading window and it is closed, or if you have material nonpublic information about the Company. For this reason, you are urged to be cautious and conservative when taking loans secured by the Company's securities.

**Does anything prevent me from trading in the securities of companies with which Amazon.com does business?**

The restriction on "insider trading" is not limited to trading in Amazon.com securities. If you have material nonpublic information about any company, the law, as well as the policy and guidelines, prohibit you from trading in securities of that company. This includes securities of customers, suppliers, strategic partners, companies in which Amazon.com has invested, and firms with which Amazon.com may be negotiating a major transaction, such as an acquisition, investment, or sale. Remember that even if the information is not material to Amazon.com, it may be material to the other company.

**Can I gift shares of Amazon.com securities?**

Yes, but please contact the Legal Department if you wish to make a gift of Amazon.com securities and you are subject to the trading window or preclearance. If you are subject to the trading window, you must make gifts of Amazon.com securities only during the trading window unless you can make certain legal representations concerning the gifted shares.

**Am I subject to the Insider Trading Policy after I leave Amazon.com?**

Once you are no longer an employee, temporary worker, consultant, independent contractor, or member of the Board of Directors, you will cease to be subject to the Amazon.com Insider Trading Policy. However, you will still be subject to the laws that

prohibit insider trading, and, if you possess material nonpublic information about Amazon.com, you should not trade in Amazon.com securities.

**Who should I contact if I have a specific question about the insider trading policy and don't want to send an email?**

You may contact either of the following persons with questions on the insider trading policy: Gavin McCraley ((206) 266-0614) or Sheri Carpenter ((206) 266-6339).