

RosettaStone®

Code of Ethics and Business Conduct



Our Vision

Every person can learn to read, write, and speak with confidence.

Our Mission

We change people's lives through the power of language and literacy education.

Our Values

Integrity. Innovation. Team Work. Customer Centricity.

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At Rosetta Stone, we are committed to doing the right thing in all our business dealings – our Code informs our efforts.

ABOUT THE CODE

This Code of Ethics and Business Conduct (the “Code”) covers a wide range of business practices and procedures and outlines how ethical decisions must shape the way we interact with our colleagues and other business associates. Although the Code does not cover every issue that may arise, it does set forth basic principles to guide all employees, officers and directors of Rosetta Stone Inc. (“Rosetta Stone” or the “Company”). All employees, directors and officers must conduct themselves accordingly, and seek to avoid even the appearance of improper behavior.

Your rights as an employee and the Company's rights as an employer are governed by the laws of the country of employment, the work rules of your employing unit and your individual written employment contract, if any. Nothing in this Code or in any company policies and procedures or in other related communications (verbal or written) creates or implies an employment contract or an assurance of continued employment. Our Code applies to all of us, in all of our locations. We have a common commitment to doing business legally and ethically in each of our locations. As the laws of the various locations where we operate may differ, if a local law sets a different standard than what is written in our Code, seek guidance from the Legal Department.

We are committed to continuously reviewing and updating our policies and procedures. Therefore, this Code is subject to modification. This Code supersedes all other such codes, policies, procedures, instructions, practices, rules or written or verbal representations to the extent they are inconsistent. This Code is not a complete rulebook intended to address every ethical issue that might arise, and it is not a summary of all laws and policies that apply to our business. Rather, the Code provides us with guidance and directs us to resource to help us make the right decisions.

MEETING OUR SHARED RESPONSIBILITY

Rosetta Stone's management is committed to living up to high standards of ethical behavior and Rosetta Stone's Board of Directors oversees the Company's commitment to ethics and compliance with legal standards and has adopted this Code to help employees live up to our standards of business conduct. Each of us is responsible for knowing, understanding and conducting ourselves in accordance with the policies and guidelines contained within the Code and applicable law. The Company takes breaches of our ethical standards seriously. If you have questions, ask them; if you have ethical concerns, raise them. The Chief Legal Office/General Counsel (hereafter “General Counsel”), who is responsible for overseeing and monitoring compliance with this Code, and the other resources set forth in this Code are available to answer your questions, provide guidance and for you to report suspected misconduct. Our conduct should reflect the Company's values, demonstrate ethical leadership, and promote a work environment that upholds the Company's reputation for integrity, ethical conduct and trust.

BUSINESS PRACTICES

Compliance with Laws and Regulations

Obeying the law, both in letter and in spirit, is the foundation on which the Company's ethical standards are built. All employees, officers and directors must respect and obey all applicable laws and regulations in every jurisdiction where the Company conducts business. Although not all employees, officers and directors are expected to know the details of these laws and regulations, it is important to know enough to determine when to seek advice from supervisors, the General Counsel or the Legal Department. If there is a conflict between applicable laws or between local law and a policy set forth in this Code, you should consult with the Legal Department before taking any action.

Conflicts of Interest

Employees, officers and directors of the Company are expected to dedicate their best efforts to advancing the Company's interests and to make decisions that affect the Company based on the Company's best interests, independent of outside influences.

A conflict of interest occurs when your private interests interfere, or even appear to interfere, with the interests of the Company. A conflict situation can arise when you take actions or have interests that make it difficult for you to perform your Company work objectively and effectively. Your obligation to conduct the Company's business in an honest and ethical manner includes the ethical handling of actual, apparent and potential conflicts of interest between personal and business relationships. This includes full disclosure of any actual, apparent or potential conflicts of interest as set forth below.

Special rules apply to executive officers and directors who engage in conduct that creates an actual, apparent or potential conflict of interest. Before engaging in any such conduct, executive officers and directors must make full disclosure of all facts and circumstances to the General Counsel, who shall inform and seek the prior approval of the Audit Committee of the Board of Directors.

Although we cannot list every conceivable conflict, what follows are some common examples of actual, apparent and potential conflicts of interest, and to whom employees should make disclosures. If you are involved in a conflict situation that is not described below, you should discuss your particular situation with your supervisor or the General Counsel.

Situations in which Conflicts of Interest may arise:

- Being employed by or operating a firm, including consulting, that does or desires to do business with Rosetta Stone or that competes with Rosetta Stone
- Making a substantial direct investment in such a firm (by you or a member of your immediate family)
- Acting on behalf of anyone besides Rosetta Stone in any transaction with Rosetta Stone (for example, helping someone sell products/services to Rosetta Stone)
- Engaging personally in transactions in which Rosetta Stone has an interest

Improper Personal Benefits from the Company

Conflicts of interest arise when an employee, officer or director, or a member of his or her family, receives improper personal benefits as a result of his or her position in the Company. You may not accept any benefits from the Company that have not been duly authorized and approved pursuant to Company policy and procedure, including any Company loans or guarantees of your personal obligations. The Company will not make any personal loans to nor guarantee the personal obligations of directors and executive officers.

Financial Interests in Other Businesses

You may not own an interest in any company that competes with the Company. You may not own an interest in a company that does business with the Company (such as a Company customer or supplier) without the prior written approval of the General Counsel. However, it is not typically considered a conflict of interest (and therefore, prior approval is not required) to have an interest with a total value of no more than five percent (5%) of your annual compensation in competitors, customers or suppliers that are listed on a national or international securities exchange.

Business Arrangements with the Company

Without prior written approval from the Chief Executive Officer, you may not participate in a joint venture, partnership or other business arrangement with the Company.

Outside Employment or Activities with a Competitor

All of us have a primary duty to advance Rosetta Stone's interests. Simultaneous employment with or serving as a director of a competitor of the Company is strictly prohibited, as is any activity that is intended to or that you

should reasonably expect to advance a competitor's interests. You may not market products or services in competition with the Company's current or potential business activities. It is your responsibility to consult with the General Counsel to determine whether a planned activity will compete with any of the Company's business activities before you pursue the activity in question.

Outside Employment with a Customer or Supplier

Without prior written approval from the General Counsel, you may not be a customer or be employed by, serve as a director of or represent a customer of the Company. Similarly, without prior written approval from the General Counsel, you may not be a supplier or be employed by, serve as a director of or represent a supplier to the Company. Nor may you accept money or benefits of any kind as compensation or payment for any advice or services that you may provide to a client, supplier or anyone else in connection with its business with the Company.

Charitable, Government and Other Outside Activities

The Company encourages all employees to participate in projects and causes that further the welfare of our local communities. However, you must obtain the prior written approval of the General Counsel before serving as a director or trustee of any charitable, not-for-profit, for-profit, or other entity or before running for election or seeking appointment to any government-related position.

Family Members Working in the Industry

You may find yourself in a situation where your spouse or significant other, your children, parents, in-laws, or someone else with whom you have a close familial relationship, is a competitor, supplier or customer of the Company or is employed by one. Such situations are not prohibited, but they call for extra sensitivity to security, confidentiality and conflicts of interest.

There are several factors to consider in assessing such a situation. Among them: the relationship between the Company and the other company; the nature of your responsibilities as a Company employee and those of the other person; and the access each of you has to your respective employer's confidential information. Such a situation, however harmless it may appear to you, could arouse suspicions among your associates that might affect your working relationships. The very appearance of a conflict of interest can create problems, regardless of the propriety of your behavior.

To remove any such doubts or suspicions, you must disclose your specific situation to the General Counsel to assess the nature and extent of any concern and how it can be resolved. In some instances, any risk to the Company's interests is sufficiently remote that the General Counsel may only remind you to guard against inadvertently disclosing Company confidential information and not to be involved in decisions on behalf of the Company that involve the other company.

Corporate Opportunities

Employees and directors have a duty to the Company to advance its legitimate interests when the opportunity to do so arises. If you learn of a business or investment opportunity through the use of corporate property or information or your position at the Company, such as from a competitor or actual or potential customer, supplier or business associate of the Company, you may not participate in the opportunity or make the investment without the prior written approval of the General Counsel. Directors must obtain the prior approval of the Board of Directors. Such an opportunity should be considered an investment opportunity for the Company in the first instance. You may not use corporate property or information or your position at the Company for improper personal gain, and you may not compete with the Company.

Q&A

Q: My brother owns a company that he believes can supply higher-quality and less expensive services to Rosetta Stone than the current vendor. Can we use his company?

A: Maybe. Always notify your supervisor, or the individual responsible for making contracting decisions, or any close relationship you have with any of our vendors as well as disclosing the potential conflict of interest to the Legal Department. Each situation will be reviewed on a case-by-case basis.

Additional information and guidelines are contained in the Related Party Transaction Policy available on the Company's Intranet.

Giving or accepting valuable gifts or entertainment might be construed as an improper attempt to influence the relationship.

Entertainment, Gifts and Gratuities

A gift or other benefit must not be accepted or offered if it might create a sense of obligation, or compromise the ability to use consistent unbiased standards when conducting business. Unsolicited gifts and business courtesies such as meals and entertainment, are permissible if they are customary and commonly accepted business courtesies; not excessive in value; occur infrequently; and are given and accepted without an express or implied understanding that you or the Company are in any way obligated by your acceptance of the gift.

You must never ask for gifts, entertainment or any other business courtesies from people doing business with the Company. Gifts that are extravagant in value or unusual in nature should not be accepted or offered without the prior written approval of your supervisor or the Legal Department. As a general rule, employees should limit gifts to or from any one vendor, customer or business partner to something of a modest, nominal value (e.g. US\$100). With respect to meals and entertainment, if the event is attended by a customer or vendor, the costs involved should be compliant with our "Travel & Entertainment Company Policy" and in line with local custom for business-related meals and entertainment (e.g., ordinary business meals and attendance at ordinary local sporting events generally are acceptable).

Gifts of cash or cash equivalents (including gift certificates, securities, below-market loans, etc.) in any amount are prohibited and must be returned promptly to the donor. Our suppliers and customers likely have gift and entertainment policies of their own. You must be careful never to provide a gift or entertainment that violates the other company's gift and entertainment policy.

What is acceptable in the commercial business environment may be entirely unacceptable in dealings with the government. There are strict laws that govern providing gifts, including meals, entertainment, transportation and lodging, to government officials and employees. You are prohibited from providing gifts or anything of value to government officials or employees or members of their families in connection with Company business without prior written approval from the Legal Department. For more information, see the section of this Code regarding Interacting with Government.

Q&A

Q: A vendor I work with just finished an important project for me on time and under budget. I would like to show my appreciation with a gift. What is appropriate?

A: As a general rule, employees should limit gifts to or from any one vendor, customer or business partner to US\$100. Also take into consideration their company's gifts and entertainment policy as well. We want to respect our standards and be mindful of theirs as well. Contact the Legal Department if you are unsure.

Giving or receiving any payment or gift in the nature of a bribe or kickback is absolutely prohibited.

Additional information and guidelines are contained in the Travel & Entertainment Company Policy available on the Company's Intranet.

Interacting with the Government

Company policy, the U.S. Foreign Corrupt Practices Act (the "**FCPA**"), and the laws of many other countries prohibit the Company and its officers, employees and agents from giving or offering to give money or anything of value to a foreign official, a foreign political party, a party official or a candidate for political office in order to influence official acts or decisions of that person or entity, to obtain or retain business, or to secure any improper advantage. A foreign official is an officer or employee of a government or any department, agency, or

instrumentality thereof, or of certain international agencies, such as the World Bank or the United Nations, or any person acting in an official capacity on behalf of one of those entities. Officials of government-owned corporations are considered to be foreign officials. Payments need not be in cash to be illegal. The FCPA prohibits giving or offering to give "anything of value." Over the years, many non-cash items have been the basis of bribery prosecutions, including travel expenses, golf outings, automobiles, and loans with favorable interest rates or repayment terms. Indirect payments made through agents, contractors, or other third parties are also prohibited. Employees may not avoid liability by "turning a blind eye" when circumstances indicate a potential violation of the FCPA.

The FCPA does allow for certain permissible payments to foreign officials. Specifically, the law permits "facilitating" payments, which are payments of small value to effect routine government actions such as obtaining permits, licenses, visas, mail, utilities hook-ups and the like. However, determining what is a permissible "facilitating" payment involves difficult legal judgments. Therefore, employees must obtain permission from the Legal Department before making any payment or gift to a public official thought to be exempt from the FCPA.

Political Contributions and Activities

Laws of certain jurisdictions prohibit the use of Company funds, assets, services, or facilities on behalf of a political party or candidate. Payments of corporate funds to any political party, candidate or campaign may be made only if permitted under applicable law and approved in writing and in advance by the General Counsel.

Your work time may be considered the equivalent of a contribution by the Company. Therefore, unless required by applicable law, you will not be paid by the Company for any time spent running for public office, serving as an elected official, or campaigning for a political candidate. Nor will the Company compensate or reimburse you, in any form, for a political contribution that you intend to make or have made.

Additional information and guidelines are contained in the Anti-Bribery Red Flags Guidelines available on the Company's Intranet.

Rosetta Stone is committed to working fairly and honestly with government officials and others in our communities.

Protection and Proper Use of Company Assets

We each have a duty to protect the Company's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on the Company's profitability. We all must exercise good judgment and responsibility in our use of Company assets, which include our brand, financial assets, vehicles, office supplies, equipment, computers, networks, software, telephone and internet services, voicemail and email. We should take measures to prevent damage to and theft or misuse of Company property. When you leave the Company, all Company property must be returned to the Company. Except as specifically authorized, Company assets, including Company time, equipment, materials, resources and proprietary information, must be used for legitimate business purposes only.

Consider This

Does a gift, proposed activity, or relationship:

- Create an impression of bias or partiality?
- Overlap with my role or responsibilities at Rosetta Stone?
- Involve a government official, employee, or member of their family?
- Adversely affect the profitability of Rosetta Stone?
- Involve a company that competes with Rosetta Stone?

If the answer to any of these questions is "yes," avoid engaging in the activity or relationship, and refrain from accepting or giving the gift. If your specific situation is unclear, seek advice from the Legal Department.

Acceptable Use of Company Information Technology Resources

Computer resources must be utilized in a manner consistent with Rosetta Stone's Code of Ethics and Business Conduct. Effective security is a team effort involving the participation and support of every Rosetta Stone employee, consultant or contractor who deals with information and/or information systems. It is the responsibility of all users to conduct their activities accordingly.

Team members are not permitted to disable security services, devices, or software on any Rosetta Stone resource unless explicitly authorized by the IT Department. We must use extreme caution when opening email attachments received from unknown senders as they could contain viruses, email bombs, or malicious code. Employees also must not install on Rosetta Stone resources any software, whether personally-licensed or not, and/or whether or not "free." Team members requiring installation of company approved, authorized, and licensed software must contact the Technical Services department.

Rosetta Stone's success and integrity depends on the protection of these assets. Employees must maintain the confidentiality and security of information assets, report actual or suspected vulnerabilities or breaches in the confidentiality, integrity or availability of Company data to the IT Department. As employees, directors and officers of Rosetta Stone, we are entrusted with confidential business information and proprietary secrets. It is our responsibility to uphold this trust and refrain from inappropriately divulging any information.

Company Books and Records

It is Company policy to make full, fair, accurate, timely and understandable disclosure in compliance with all applicable laws and regulations in all reports and documents that the Company files with, or submits to, the Securities and Exchange Commission and in all other public communications made by the Company.

The integrity of the Company's accounting books and records is essential. You must complete all Company documents accurately, truthfully, and in a timely manner, including all travel and expense reports. When applicable, documents must be properly authorized. You must record the Company's financial activities in compliance with all applicable laws and accounting practices. The making of false or misleading entries, records or documentation is strictly prohibited. You must never create a false or misleading report or make a payment or establish an account on behalf of the Company with the understanding that any part of the payment or account is to be used for a purpose other than as described by the supporting documents.

Protection of Company Assets

- Never use Company computers or networks in a way that could compromise the security or integrity of Company information or software
- Never use Company computers or networks to access, receive or transmit materials that are inappropriate in a business environment, illegal or may violate our policy regarding confidentiality or other Company policies
- Do not loan, borrow, donate, sell or dispose of any Company property unless specifically authorized by an officer/manager in charge
- Never use Company property, information or position for personal gain

Record Retention

In the course of its business, the Company produces and receives large numbers of records. Numerous laws require the retention of certain Company records for various periods of time. The Company is committed to compliance with all applicable laws and regulations relating to the preservation of records. The Company's policy is to identify, maintain, safeguard and destroy or retain all records in the Company's possession on a systematic and regular basis. Under no circumstances are Company records to be destroyed selectively or to be maintained outside Company premises or designated storage facilities, except in those instances where Company records may be temporarily brought home by employees working from home in accordance with approvals from their supervisors or applicable policies about working from home or other remote locations.

If you learn of a subpoena or a pending or contemplated litigation or government investigation, you should

immediately contact the General Counsel. You must retain and preserve all records that may be responsive to the subpoena or relevant to the litigation or that may pertain to the investigation until you are advised by the Legal Department as to how to proceed. You must also affirmatively preserve from destruction all relevant records that without intervention would automatically be destroyed or erased (such as e-mails and voicemail messages). Destruction of such records, even if inadvertent, could seriously prejudice the Company. If you have any questions regarding whether a particular record pertains to a pending or contemplated investigation or litigation or may be responsive to a subpoena or regarding how to preserve particular types of records, you should ask the Legal Department for advice.

Confidential Information

All employees may learn, to a greater or lesser degree, facts about the Company's business, plans, operations or "secrets of success" that are not known to the general public or to competitors. Sensitive information such as customer data, the terms offered or prices charged to particular customers, marketing or strategic plans, product specifications and production techniques are examples of the Company's confidential information or trade secrets. Confidential information includes all non-public information that might be of use to competitors, or harmful to the Company or its customers, if disclosed. During the course of performing your responsibilities, you may obtain information concerning possible transactions with other companies or receive confidential information concerning other companies, such as our customers, which the Company may be under an obligation to maintain as confidential.

You must maintain the confidentiality of information entrusted to you by the Company or its customers, except when disclosure is authorized or legally mandated. Employees who possess or have access to confidential information or trade secrets must:

- Not use the information for their own benefit or the benefit of persons inside or outside of the Company.
- Carefully guard against disclosure of that information to people outside the Company. For example, you should not discuss such matters with family members or business or social acquaintances or in places where the information may be overheard, such as taxis, public transportation, elevators or restaurants.
- Not disclose confidential information to another Company employee unless the employee needs the information to carry out business responsibilities.
- Not disclose confidential, non-public information about Rosetta Stone or our clients on any online forum, such as internet chat rooms or any form of social media.

Social Media Quick Guide

- Properly use social media to communicate Rosetta Stone news to your friends and followers if you wish to do so
- Be polite and respectful in your interactions and mindful of your tone – even if you don't agree with what is being stated
- Be transparent. Identify yourself and your affiliation with Rosetta Stone
- Represent your opinions as your own when discussing Rosetta Stone via your personal social media accounts and profiles
- Make it clear that your postings don't necessarily represent the positions, strategies, or opinions of Rosetta Stone
- Do not disclose confidential, non-public information about Rosetta Stone or our clients on social media sites
- Avoid posting on competitors' social media pages, or on sites, pages, or reviews dedicated to a competitor
- Brands and trademarks should never be used as nouns or verbs

For additional guidance on appropriate use of social media, see the Social Media Guidelines available on the Company's Intranet.

Rosetta Stone information should be used only for Company purposes and should not be disclosed to anyone outside of Rosetta Stone.

Non-Disclosure Agreements are commonly used when the Company needs to disclose confidential information to suppliers, consultants, joint venture participants, or others. A Non-Disclosure Agreement puts the person receiving confidential information on notice that he or she must maintain the secrecy of such information. If, in doing business with persons not employed by the Company, you foresee that you may need to disclose confidential information, you should contact the Legal Department and discuss the utility of entering into a Non-Disclosure Agreement.

Your obligation to treat information as confidential does not end when you leave the Company. Upon the termination of your employment, you must return everything that belongs to the Company, including all documents and other materials containing Company and customer confidential information. You must not disclose confidential information to a new employer or to others after ceasing to be a Company employee.

You may not disclose your previous employer's confidential information to the Company. Of course, you may use general skills and knowledge acquired during your previous employment.

For more information and additional guidelines, see the Dissemination of Company Information Policy available on the Company's Intranet.

Handling and Storing Confidential Information

Rosetta Stone recognizes the importance of data to its business and understands that the manner in which information is handled reflects the company's commitment to being a responsible and secure organization. All Rosetta Stone sensitively classified data must always be properly handled, whether being transmitted within the organization or to a trusted third party. This applies to all records maintained in all forms at Rosetta Stone, including paper and electronic.

Physical Security & Storage of Confidential Information

Sensitively classified and confidential data must be identified as confidential and labeled in a conspicuous place and must not be left unattended on desks. In addition, paper and removable computer media containing sensitive and confidential data must be stored in a lockable storage when not in use. When printing, copying and using fax equipment to send and receive confidential information, employees must be sure to clear the output from the machines immediately to prevent unauthorized disclosure. Team members must also remember to destroy all hard copy data with a sensitivity level of "classified," using a cross-cut shredder or incinerated so that sensitive information cannot be reconstructed. Employees must also ensure that any electronic data no longer used must also be expunged or cleared in a manner that is not recoverable.

Transmission of Confidential Information

Sensitively classified data must be properly handled whether being transmitted within the organization or to a trusted third party. When distributing confidential information internally, less sensitive information may be sent via standard interoffice mail, approved electronic mail, and electronic file transmission methods. If the

Consider This

- Confidential data must be stored in a secure place and must not be left unattended on desks
- Confidential data must not be sent to unattended fax machines or printers
- Sensitive information no longer being used should be expunged, cleared, or destroyed using a cross-cut shredder
- Label the information "Rosetta Stone Confidential" in a conspicuous place
- Credit card information may not be provided to any party, including any individuals purporting to be the owner of such information, unless such individuals are appropriately authorized by executive management

Q&A

Q: I am able to get an early start on my day by returning calls during my train ride to work. Is this a problem?

A: You must be careful not to discuss non-public confidential information in public places where others might overhear you, such as taxis, elevators or at conferences and trade shows. When it is necessary to conduct a telephone call in a public place, be mindful of your surroundings.

information being transmitted internally is more sensitive, it should be delivered directly to the authorized recipient or via approved electronic file transmission methods. When distributing confidential information externally, less sensitive information may be sent via U.S. mail and other public or private carriers, and may also be sent via approved electronic mail and electronic file transmission methods if it is encrypted. If the information being transmitted is more sensitive, it should be sent via approved, private carriers and recipient signature should be required upon delivery.

For more information and additional guidelines relating to data security, see the Rosetta Stone Data Security Policy available on the Company's Intranet.

Insider Trading

As an employee, you may become aware of significant and confidential information about Rosetta Stone's business, often called "material nonpublic information." You are prohibited by Company policy and the law from buying or selling securities of the Company at a time when in possession of "material nonpublic information." (There is, however, an exception for trades made pursuant to a pre-existing trading plan, discussed below.) This conduct is known as "insider trading." Passing such information on to someone who may buy or sell securities – known as "tipping" – is also illegal. The prohibition applies to Company securities and to securities of other companies if you learn material nonpublic information about other companies, such as the Company's customers, in the course of your duties for the Company.

What are some examples of "material" information?

- Undisclosed financial information
- Projections of future earnings or losses
- A pending or proposed merger, reorganization, tender offer or joint venture
- A pending or proposed acquisition or disposition of a significant asset or offering of additional securities
- Development of a significant new product or new commercial agreements
- A change in management, including directors or senior executives

Information is "material" if (a) there is a substantial likelihood that a reasonable investor would find the information "important" in determining whether to trade in a security; or (b) the information, if made public, likely would affect the market price of a company's securities.

Examples of types of material information include unannounced dividends, earnings, financial results, new or lost contracts or products, sales results, important personnel changes, business plans, possible mergers, acquisitions, divestitures or joint ventures, important litigation developments, and important regulatory, judicial or legislative actions. Information may be material even if it relates to future, speculative or contingent events and even if it is significant only when considered in combination with publicly available information.

Information is considered to be nonpublic unless it has been adequately disclosed to the public, which means that the information must be publicly disclosed, and adequate time must have passed for the securities markets to digest the information. Examples of adequate disclosure include public filings with securities regulatory authorities and the issuance of press releases, and may also include meetings with members of the press and the public. A delay of one or two business days is generally considered a sufficient period for routine information to be absorbed by the market. Nevertheless, a longer period of delay might be considered appropriate in more complex disclosures.

Do not disclose material nonpublic information to anyone, including co-workers, unless the person receiving the information has a legitimate need to know the information for purposes of carrying out the Company's business. If you leave the Company, you must maintain the confidentiality of

Q&A

Q: My friends and family often ask me about Rosetta Stone and whether they should buy stock. Usually I tell them what I know about our business. Is this a problem?

A: The same rules about inside information apply whether you buy or sell stock yourself or if you give the information to someone else – known as "tipping." If a relative or friend buys or sells stock based on material non-public information that you gave him/her, both of you could be liable for violation of securities laws. Furthermore, you could be in violation simply for sharing material non-public information, regardless of whether or not he or she uses it or benefits from it.

such information until it has been adequately disclosed to the public by the Company. If there is any question as to whether information regarding the Company or another company with which we have dealings is material or has been adequately disclosed to the public, contact the General Counsel.

Notwithstanding the prohibition against insider trading, the law and Company policy permit Company employees, directors and officers to trade in Company securities regardless of their awareness of material nonpublic information if the transaction is made pursuant to a pre-arranged trading plan that was established in compliance with applicable law and was entered into when the person was not in possession of material nonpublic information. A person who wishes to enter into a trading plan must submit the plan to the General Counsel for approval prior to the adoption, modification or termination of the trading plan.

Trading Blackouts

The Company from time to time will put into effect “Trading Blackouts.” During these Trading Blackouts, “Insiders” (see next paragraph) and specified other employees are not permitted to buy, sell or otherwise trade in the Company’s stock.

The Trading Blackouts apply to specified employees as well as Directors, officers and their Related Parties, referred to as “Insiders.” Those employees, officers and Directors who are subject to a Trading Blackout will receive an email notifying them of the beginning and ending of the Trading Blackout. If you receive these emails you are subject to the Trading Blackout. If a Trading Blackout is not in effect, we refer to this as an open trading window. However, even if the trading window is open, at no time may you trade in Company Securities if you are aware of material nonpublic information about the Company. Trading during an open trading window should not be considered a “safe harbor” and good judgment should be used at all times.

For more information and guidelines on insider trading and trading blackouts, see the Insider Trading Policy available on the Company’s Intranet.

Trademarks, Copyrights and Other Intellectual Property

Trademarks

Our logos, and product and brand names, such as Rosetta Stone and Lexia Learning, are examples of Company trademarks. You must always properly use our trademarks and advise your supervisor or the Legal Department of infringements by others. Similarly, the trademarks of third parties must be used properly. Using a Rosetta Stone trademark or any other Rosetta Stone-owned graphic symbol, logo, or icon in a disparaging manner is prohibited. Any questions concerning trademark laws should be directed to the Legal Department.

**Our brands, including the Rosetta Stone name, are extremely
valuable to the Company’s success.**

Copyright Compliance

Works of authorship such as books, articles, drawings, computer software and other such materials may be covered by copyright laws. It is a violation of those laws and of the Company’s policies to make unauthorized copies of or derivative works based upon copyrighted materials. The absence of a copyright notice does not necessarily mean that the materials are not copyrighted.

The Company licenses the use of much of its computer software from outside companies. In most instances, this computer software is protected by copyright. You may not make, acquire or use unauthorized copies of computer software. Any questions concerning copyright laws should be directed to the Legal Department.

Intellectual Property Rights of Others

It is Company policy not to infringe upon the intellectual property rights of others. When using the name, trademarks, logos or printed materials of another company, including any such uses on the Company's websites, you must do so properly and in accordance with applicable law.

For more information and guidelines on intellectual property rights and proper trademark usage, see the Trademark Usage Guidelines available on Company's Intranet.

Computer and Communication Resources

The Company's computer and communication resources, including computers, voicemail and e-mail, provide substantial benefits but they also present significant security and liability risks to you and the Company. It is extremely important that you take all necessary measures to secure your computer and any computer or voicemail passwords. All sensitive, confidential or restricted electronic information must be password protected, and, if sent across the Internet, must be protected by Company-approved encryption software. Passwords must be created in accordance with the guidelines set forth by the IT department and must not be shared with anyone, including anyone in the IT Department. If you have any reason to believe that your password or the security of a Company computer or communication resource has in any manner been compromised, you must change your password immediately and report the incident to the IT Department. Authorized users are required to keep passwords secure and not share accounts. Abuse of any account is the responsibility of the account owner.

When you are using Company resources to send e-mail, voicemail or to access Internet services, you are acting as a representative of the Company. Any improper use of these resources may reflect poorly on the Company, damage its reputation, and expose you and the Company to legal liability.

All of the computing resources used to provide computing and network connections throughout the organization are the property of the Company and are intended for use by Company employees to conduct the Company's business. All e-mail, voicemail and personal files stored on Company computers are Company property and may be monitored to protect company resources from abuse. You should therefore have no expectation of personal privacy in connection with these resources. The Company reserves all rights, to the fullest extent permitted by law, to review any messages and information sent or received using Company resources for compliance with Company policy. Incidental and occasional personal use of electronic mail and telephones is permitted but such use should be minimized as these messages cost the Company in both productive time and money. Rosetta Stone strongly discourages the storage of company data on personal devices. If allowed to use personal devices to access company technology resources, you must have a personal firewall, up-to-date anti-virus, current operating system security patches, and spyware detection software installed.

You should not use Company resources in a way that may be disruptive or offensive to others or unlawful. At all times when sending e-mail or transmitting any other message or file, you should not transmit comments, language, images or other files that you would be embarrassed to have read by any person. Remember that your "private" e-mail messages are easily forwarded to a wide audience. In addition, do not use these resources in a wasteful manner. Unnecessarily transmitting messages and other files wastes not only computer resources, but also the time and effort of each employee having to sort and read through his or her own e-mail.

Use of computer and communication resources must be consistent with all other Company policies, including those relating to harassment, privacy, copyright, trademark, trade secret and other intellectual property considerations.

For more information and additional guidelines relating to data security, see the Rosetta Stone Data Security Policy available on the Company's Intranet.

Help Prevent Virus Problems

- Do not disable virus protection for any reason
- Never download or open files or macros from an unknown, suspicious or untrustworthy source
- Never forward spam, chain letters, or other junk mail
- Back-up any critical data or files on a frequent basis
- Immediately report any unusual or unexpected computer behavior to the HelpDesk.

Remote Access

All mobile computing and storage devices containing or accessing the information resources at Rosetta Stone must be approved prior to connecting to the company's information systems.

Responding to Inquiries from the Press and Others

Company employees who are not official Rosetta Stone spokespersons may not speak with the press, members of the financial community, shareholders or groups or organizations as a Company representative or about Company business unless specifically authorized to do so by the office of the Chief Executive Officer. The following Rosetta Stone employees have been designated Rosetta Stone spokespersons and are authorized to communicate with members of the media, the press, the financial community, shareholders or the public in response to requests for financial or other information about the Company: Chief Executive Officer, Chief Financial Officer, General Counsel and Secretary, Investor Relations Contact and Director of Public Relations.

If you have not been directly and individually identified as an authorized company spokesperson, you are not authorized to speak publicly on behalf of Rosetta Stone without clearance.

Requests for information from regulators or the government should be referred to the General Counsel.

For more information and additional guidelines see the Dissemination of Company Information Policy available on the Company's Intranet.

Fair Competition

The Company depends on its reputation for quality, service and integrity. The way we deal with our customers, competitors and suppliers molds our reputation, builds long-term trust and ultimately determines our success. You should endeavor to deal fairly with the Company's customers, suppliers, competitors and employees. We must not take unfair advantage of others through manipulation, concealment, abuse of privileged information, intentional misrepresentation of material facts or any other unfair dealing or practice.

Antitrust and Competition Laws

While the Company competes vigorously in all of its business activities, its efforts in the marketplace must be conducted in accordance with all applicable antitrust and competition laws. All of the countries in which the Company does business has antitrust or competition laws that must be observed. While it is impossible to describe antitrust and competition laws fully in any code of business conduct, this Code will give you an overview of the types of conduct that are particularly likely to raise concerns. If you are or become engaged in activities similar to those identified in the Code, you should consult the Legal Department for further guidance.

Conspiracies and Collaborations among Competitors

One of the primary goals of the antitrust laws is to promote and preserve each competitor's independence when making decisions on price, output, and other competitively sensitive factors. Some of the most serious antitrust offenses are agreements between competitors that limit independent judgment and restrain trade, such as agreements to fix prices, restrict output or control the quality of products, or to divide a market for customers, territories, products or purchases. You should not agree with any competitor on any of these topics, as these agreements are virtually always unlawful. (In other words, no excuse will absolve you or the Company of liability.)

Inquiries from the Press

- Employees receiving inquiries regarding Rosetta Stone's activities, results, plans or its position on public issues must refer the request to the Global Communications team and/or the General Counsel
- This applies to all public statements being made on behalf of the Company, including those made on internet bulletin boards and chat rooms

Consider This

- Even an informal or implied agreement may violate competition laws.
- Talking about pricing or marketing plans with friends who work with a competitor violates the company's policy on disclosing confidential information and also may also violate competition laws.

Unlawful agreements need not take the form of a written contract or even express commitments or mutual assurances. Courts can—and do—infer agreements based on "loose talk," informal discussions, or the mere exchange between competitors of information from which pricing or other collusion could result. Any communication with a competitor's representative, no matter how innocuous it may seem at the time, may later be subject to legal scrutiny and may form the basis for accusations of improper or illegal conduct. You should take care to avoid involving yourself in situations from which an unlawful agreement could be inferred.

By bringing competitors together, trade associations and standard-setting organizations can raise antitrust concerns, even though such groups serve many legitimate goals. The exchange of sensitive information with competitors regarding topics such as prices, profit margins, output levels, or billing or advertising practices can potentially violate antitrust and competition laws, as can creating a standard with the purpose and effect of harming competition. You must notify the Legal Department before joining any trade associations or standard-setting organizations. Further, if you are attending a meeting at which potentially competitively sensitive topics are discussed without oversight by an antitrust lawyer, you should object, leave the meeting, and notify the Legal Department immediately.

Joint ventures with competitors are not illegal under applicable antitrust and competition laws. However, like trade associations, joint ventures present potential antitrust concerns. The Legal Department should therefore be consulted before negotiating or entering into such a venture.

Distribution Issues

Relationships with customers and suppliers can also be subject to a number of antitrust prohibitions if these relationships harm competition. For example, it can be illegal for a company to affect competition by agreeing with a supplier to limit that supplier's sales to any of the company's competitors. Collective refusals to deal with a competitor, supplier or customer may be unlawful as well. While a company generally is allowed to decide independently that it does not wish to buy from or sell to a particular person, when such a decision is reached jointly with others, it may be unlawful, regardless of whether it seems commercially reasonable their activities that can raise antitrust concerns are:

- discriminating in terms and services offered to customers where a company treats one customer or group of customers differently than another;
- exclusive dealing agreements where a company requires a customer to buy from or a supplier to sell to only that company;
- tying arrangements where a customer or supplier is required, as a condition of purchasing one product, also to purchase a second, distinct product;
- "bundled discounts," in which discount or rebate programs link the level of discounts available on one product to purchases of separate but related products (for example, pencils linked to other office supplies); and
- "predatory pricing," where a company offers a discount that results in the sales price of a product being below the product's cost (the definition of cost varies depending on the court), with the intention of sustaining that price long enough to drive competitors out of the market.

Because these activities are prohibited under many circumstances, you should consult the Legal Department before implementing any of them.

Penalties

Failure to comply with the antitrust laws could result in jail terms for individuals and large criminal fines and other monetary penalties for both the Company and individuals. In addition, private parties may bring civil suits.

Antitrust and competition laws are extremely complex. Because such lawsuits can be very costly, even when a company has not violated the law and is cleared in the end, it is important to consult with the Legal Department before engaging in any conduct that even appears to create the basis for an allegation of wrongdoing. It is far easier to structure your conduct to avoid erroneous impressions than to have to explain your conduct in the future when an antitrust investigation or action is in progress. For that reason, when in doubt, consult the Legal Department with your concerns.

Gathering Information about the Company's Competitors

It is entirely proper for us to gather information about our marketplace, including information about our competitors and their products and services. However, there are limits to the ways that information should be acquired and used, especially information about competitors. In gathering competitive information, you should abide by the following guidelines:

- We may gather information about our competitors from sources such as published articles, advertisements, brochures, other non-proprietary materials, surveys by consultants and conversations with our customers, as long as those conversations are not likely to suggest that we are attempting to (a) conspire with our competitors, using the customer as a messenger, or (b) gather information in breach of a client's nondisclosure agreement with a competitor or through other wrongful means. You should be able to identify the source of any information about competitors.
- We must never attempt to acquire a competitor's trade secrets or other proprietary information through unlawful means, such as theft, spying, bribery or breach of a competitor's nondisclosure agreement.
- If there is any indication that information that you obtain was not lawfully received by the party in possession, you should refuse to accept it. If you receive any competitive information anonymously or that is marked confidential, you should not review it and should contact the Legal Department immediately.

The improper gathering or use of competitive information could subject you and the Company to criminal and civil liability. When in doubt as to whether a source of information is proper, you should contact the Legal Department.

Stockholder Communications

The Board of Directors has implemented a process by which stockholders may send written communications to the attention of the Board of Directors, any committee of the Board of Directors or any individual Board member, care of the Company's Secretary at:

Rosetta Stone, 1919 North Lynn Street, 7th Floor, Arlington, VA 22209,
or by email at corporatesecretary@rosettastone.com.

This centralized process will assist the Board of Directors in reviewing and responding to stockholder communications in an appropriate manner. The name of any specific intended Board of Directors recipient should be noted in the communication. The Company's Secretary will be primarily responsible for collecting, organizing and monitoring communications from stockholders and, where appropriate depending on the facts and circumstances outlined in the communication, providing copies of such communications to the intended recipients. Communications will be forwarded to directors if they relate to appropriate and important substantive corporate or Board matters. Communications that are of commercial or frivolous in nature, or otherwise inappropriate for the consideration of the Board of Directors, will not be forwarded to the Board of Directors. Any communications not forwarded to the Board of Directors will be retained for a period of 12 months and made available to any of the Company's independent directors upon their general request to view such communications. In addition, the Company's Secretary will provide all non-forwarded communications to the Chairman of the Corporate Governance and Nominating Committee at least once in each year.

OUR WORKPLACE

Respecting One Another

The way we treat each other and our work environment affects the way we do our jobs. All employees want and deserve a work place where they are respected and appreciated. Everyone who works for the Company must contribute to the creation and maintenance of such an environment, and supervisors and managers have a special responsibility to foster a workplace that supports honesty, integrity, respect and trust.

Employee Privacy

We respect the privacy and dignity of all individuals. The Company collects and maintains personal information that relates to your employment, including medical and benefit information. Special care is taken to limit access to personal information by Company personnel with a need to know such information for a legitimate purpose. Employees who are responsible for maintaining personal information and those who are provided access to such information must not disclose private information in violation of applicable law or in violation of the Company's policies.

Remember

Rosetta Stone expects employees to interact with each other in a professional and respectful manner.

Employees should not search for or retrieve items from another employee's workspace without prior approval of that employee or management. Similarly, you should not use communication or information systems to obtain access to information directed to or created by others without the prior approval of management, unless such access is part of your job function and responsibilities at the Company.

Personal items, messages, or information that you consider to be private should not be placed or kept in telephone systems, computer or electronic mail systems, office systems, offices, work spaces, desks, credenzas, or file cabinets. The Company reserves all rights, to the fullest extent permitted by law, to inspect such systems and areas and to retrieve information or property from them when deemed appropriate in the judgment of management.

Inclusion and Diversity

The Company is an equal opportunity employer in hiring and promoting practices, benefits and wages. We will not tolerate discrimination against any person on the basis of race, religion, color, gender, age, marital status, national origin, sexual orientation, gender identity and gender expression, citizenship, Vietnam-era or disabled veteran status or disability (where the applicant or employee is qualified to perform the essential functions of the job with or without reasonable accommodation), or any other basis prohibited by law in recruiting, hiring, placement, promotion, or any other condition of employment.

You must treat all Company people, customers, suppliers and others with respect and dignity.

Human Rights

At Rosetta Stone, we recognize that we are part of a global community and are committed to conducting our business activities in a manner that respects human rights. We strongly believe that we are responsible for promoting ethical and lawful employment practices and are committed to a work environment that is free from human trafficking, exploitation, forced labor, and unlawful child labor. We also expect that our suppliers, resellers, and other business partners will conduct their business with the same commitment to ethical business practices. We support fundamental human rights for all people and we prohibit physical punishment or abuse. We respect the right of employees to associate or not associate with any group, as permitted by and in accordance with applicable laws and regulations. Rosetta Stone complies with employment laws in every country and market where we operate.

Sexual and Other Forms of Harassment

Company policy strictly prohibits any form of harassment in the workplace, including sexual harassment. The Company will take prompt and appropriate action to prevent and, where necessary, discipline behavior that violates this policy.

Sexual harassment consists of unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature when:

- submission to such conduct is made a term or condition of employment;
- submission to or rejection of such conduct is used as a basis for employment decisions; or
- such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, offensive or hostile work environment.

Harassment on the basis of other characteristics is also strictly prohibited. Under this policy, harassment is verbal or physical conduct that degrades or shows hostility or hatred toward an individual because of his or her race, color, national origin, citizenship, religion, sexual orientation, marital status, age, mental or physical handicap or disability, veteran status or any other characteristic protected by law, which

- has the purpose or effect of creating an intimidating, hostile, or offensive work environment;
- has the purpose or effect of unreasonably interfering with an individual's work performance; or
- otherwise adversely affects an individual's employment.

The Company encourages the prompt reporting of all incidents of harassment, regardless of who the offender may be, or the offender's relationship to the Company. This procedure should also be followed if you believe that a non-employee with whom you are required or expected to work, has engaged in prohibited conduct.

If you believe that you have been subjected to harassment of any kind, you should promptly report the incident to your supervisor, the harasser's supervisor, the General Counsel or the VP, Human Resources. If you feel comfortable doing so, you may also wish to confront the offender and state that the conduct is unacceptable and must stop. Complaints of harassment, abuse or discrimination will be investigated promptly and will be kept confidential to the extent reasonably possible. Supervisors must promptly report all complaints of harassment to the VP, Human Resources or the General Counsel.

At Rosetta Stone we treat each other with respect and dignity. This means that all employees are entitled to work in a professional environment that is free of harassment and discrimination.

Product Donation Program

As part of fulfilling our mission, we believe in supporting our local communities and organizations whose missions align with our own. The company will provide Rosetta Stone Language Learning subscriptions to employees who wish to donate a subscription to a non-profit organization of their choice. Eligible employees are allotted two (2) product donations per calendar year.

Consider This

Forms of harassment include, but are not limited to:

- epithets, slurs, or negative stereotypes;
- threatening, intimidating, or hostile gestures or acts;
- verbal harassment, such as unwelcome comments, jokes, or slurs of a sexual nature;
- physical harassment, such as unnecessary or offensive touching, or impeding or blocking movement; and
- visual harassment, such as derogatory or offensive posters, cards, cartoons, graffiti, drawings or gestures.

For additional information, eligibility requirements, or to request a product donation through this program, see the Product Donation Guidelines available on the Company's Intranet.

Safety in the Workplace

The safety and security of employees is of primary importance. You are responsible for maintaining our facilities free from recognized hazards and obeying all Company safety rules. Working conditions should be maintained in a clean and orderly state to encourage efficient operations and promote good safety practices.

Weapons and Workplace Violence

No employee may bring firearms, explosives, incendiary devices or any other weapons into the workplace or any work-related setting, regardless of whether or not employees are licensed to carry such weapons. Similarly, the Company will not tolerate any level of violence in the workplace or in any work-related setting. Violations of this policy must be referred to your supervisor and the Legal Department immediately. Threats or assaults that require immediate attention should be reported to the police.

Drugs and Alcohol

The Company intends to maintain a drug-free work environment. Except at approved Company functions, you may not use, possess or be under the influence of alcohol on Company premises.

You cannot use, sell, attempt to use or sell, purchase, possess or be under the influence of any illegal drug on Company premises or while performing Company business on or off the premises.

Tobacco & E-Cigarette Products

The use of tobacco and e-cigarettes is prohibited inside all Rosetta Stone locations. The use of these products is limited to designated outdoor areas where permitted by applicable laws and regulations.

IMPLEMENTATION OF THE CODE

Responsibilities

While each of us is individually responsible for putting the Code to work, we need not go it alone. The Company has a number of resources, people and processes in place to answer our questions and guide us through difficult decisions. Copies of this Code are available from the Legal Department, on Keystone, and on the Company website.

Additional Resources

This Code cannot provide definitive answers to all questions. If you have questions regarding any of the policies discussed in this Code or if you are in doubt about the best course of action in a particular situation, you should seek guidance from your supervisor, the Legal Department or the other resources identified in this Code.

Open communication is key to success!

Reporting Suspected Violations

If you know of or suspect a violation of applicable laws or regulations, the Code, or the Company's related policies, you must immediately report that information to your supervisor, the Legal Department or VP, Human Resources.

If you are uncomfortable with the options described above, you may report violations through the Company's

confidential Ethics website at www.rosettastone.alertline.com. You can also access the Ethics Hotline by telephone using country-specific telephone numbers that are available at the Ethics website and on Keystone. The contact numbers for accessing the Ethics Hotline are below.

Ethics Hotline:

United States: (866)482-5497 (U.S.)

United Kingdom: 0808-234-7051

Japan: 00531-11-4737 (KDDI); 0066-33-801237 (Softbank Telecom); 0034-800-900110 (NTT)

Korea: 00798-1-1-004-0083 (Korea Telecom); 00368-110116 (ONSE); 00308-11-0518 (Dacom)

The Ethics website and Ethics hotlines are operated by an external vendor that specializes in ethics and compliance reporting. The Ethics hotline is a dedicated, toll-free phone line that is available 7 days a week, 24 hours a day. If desired, you do not need to disclose your identity. All inquiries will be forwarded to an appropriate party for investigation so that the Company may review each inquiry.

Know This
No one will be subject to retaliation because of a good faith report of suspected misconduct.

Investigations of Suspected Violations

All reported violations will be promptly investigated and treated confidentially to the extent reasonably possible. It is imperative that reporting persons not conduct their own preliminary investigations. Investigations of alleged violations may involve complex legal issues, and acting on your own may compromise the integrity of an investigation and adversely affect both you and the Company.

Discipline for Violations

The Company intends to use every reasonable effort to prevent the occurrence of conduct not in compliance with its Code and to halt any such conduct that may occur as soon as reasonably possible after its discovery. Subject to applicable law and agreements, Company personnel who violate this Code and other Company policies and procedures may be subject to disciplinary action, up to and including discharge.

Waivers of the Code

The Company will waive application of the policies set forth in this Code only where circumstances warrant granting a waiver. Waivers of the Code for directors and officers may be made only by the Board of Directors as a whole or the Audit Committee of the Board and will be promptly disclosed to stockholders as required by law or the regulations of the New York Stock Exchange.

No Rights Created

This Code is a statement of the fundamental principles and key policies and procedures that govern the conduct of the Company's business. It is not intended to and does not create any obligations to or rights in any employee, director, client, supplier, competitor, shareholder or any other person or entity.

Annual Review and Acknowledgement

Each year you will be asked to review the Code and acknowledge your personal commitment to compliance with the Code and other legal requirements for business conduct by taking the Company's online compliance training course and agreeing to abide by the standards, policies and procedures contained in the Code of the Company's related policies and procedures. Each supervisor is responsible for ensuring that all personnel under his or her supervision understand the need to review the Code and the online and/or live compliance training course, and complete the Code acknowledgement.

Remember
The ultimate responsibility to ensure that we, as a Company, comply with the laws, regulations and ethical standards affecting our business rests with each of us. You must become familiar with and conduct yourself strictly in compliance with those laws, regulations and standards and the Company's policies and guidelines pertaining to them.

FREQUENTLY ASKED QUESTIONS

Q. *What am I expected to do with the Rosetta Stone Code of Ethics and Business Conduct?*

A. Read the Code carefully at work and ensure that you understand them. If you have any questions or concerns relating to the Code, ask your Supervisor or contact the Legal Department for additional guidance.

Q. *How can I report an issue or suspected violation?*

A. Report the information to your supervisor, the Legal Department or VP Human Resources. You may also report violations through the Company's confidential Ethics website at www.rosettastone.alertline.com or call the confidential Ethics Hotline by telephone, using the country-specific telephone numbers listed below. The Ethics website and hotlines are operated by an external vendor and if desired, you do not need to disclose your identity.

Ethics Hotline:

United States: (866) 482-5497 (U.S.)

United Kingdom: 0808-234-7051

Japan: 00531-11-4737 (KDDI); 0066-33-801237 (Softbank Telecom); 0034-800-900110 (NTT)

Korea: 00798-1-1-004-0083 (Korea Telecom); 00368-110116 (ONSE); 00308-11-0518 (Dacom)

Q. *What is the Rosetta Stone Inc. Ethics Hotline?*

A. The Ethics Helpline is a free phone number for reporting issues or raising concerns that involve ethics, legal issues or potential violations of Rosetta Stone policy, including the Code of Ethics and Business Conduct. No charges will apply to the call, and it is answered live, by a third party, 24 hours a day, seven days a week

Q. *May I call the Hotline anonymously?*

A. Yes. You will be given a unique report number, which will allow you to call the Hotline again and anonymously check on the status of your report. Calls to the Hotline are handled in a confidential manner and are not traced or recorded.

Q. *May I call the Hotline if I am not fluent in English?*

A. Yes. A live interpreter can be made available upon request.

Q. *Can I be retaliated against for making a report of a suspected violation?*

A. The Company takes breaches of our ethical standards seriously and does not tolerate retaliation against anyone who raises concerns or questions regarding a potential violation of Rosetta Stone policies and makes a good faith report of suspected misconduct.

Q. *Who can I contact for more information or to obtain policies?*

A. Policies are available through the Company's Intranet, but you may also contact your Supervisor or the Legal Department for more information.