



Market Leader, Inc. Code of Conduct

GENERAL STATEMENT OF POLICY

This Code of Conduct ("Code") has been adopted by Market Leader, Inc. (the "Company") to provide ethical standards and policies by which officers, directors and employees of the Company will conduct themselves in order to promote integrity and sound business practices. These standards are linked closely to our corporate vision, strategies and values and are intended to provide guidance to persons functioning in managerial or administrative capacities, as well as to all employees.

The integrity, reputation and profitability of the Company ultimately depend upon the individual actions of our employees, representatives, officers, directors, agents and consultants. It is the policy of the Company and its subsidiaries to comply with all applicable laws and to adhere to ethical standards in the conduct of our business. Each employee is expected to read and understand this Code of Conduct, uphold these standards in daily activities and take personal responsibility for compliance with all applicable policies and procedures. Because the principles described in the Code are general in nature, you should also review applicable Company policies and procedures for more specific guidance pertaining to particular topics discussed in the Code.

In furtherance of the Company's commitment to ethical standards, we are committed to regularly reviewing and updating our policies and procedures. Therefore, this Code is subject to modification. The Code supersedes all other such codes, policies, procedures, instructions, practices, rules or written or verbal representations to the extent that they are inconsistent with the Code. While the Company will generally attempt to communicate changes concurrent with or prior to the implementation of such changes, the Company reserves the right to modify, amend or alter the Code without notice to any employee.

The guidelines in this Code are neither exclusive nor comprehensive. Because the business and legal environment in which the Company operates is complex, it would be impossible to formulate a single policy that would govern all possible situations. Employees are expected and required to comply with the letter and the spirit of all applicable laws and policies, whether or not specifically addressed within this Code. If questions arise regarding the interpretation, application, or existence of any law, they should be directed to the Company's counsel.

This Code shall be effective immediately prior to the completion of the Company's initial public offering of its common stock.

BUSINESS PRACTICES AND LEGAL COMPLIANCE

A. Compliance With Laws and Regulations

All Company officers, directors and employees must comply with all applicable laws, regulations, rules and regulatory orders applicable in the country, state and local jurisdictions where business is conducted, including securities laws, antitrust laws and other fair competition laws. Each officer, director and employee is expected to acquire appropriate knowledge of the requirements relating to his or her duties sufficient to enable him or her to recognize potential issues or violations and to know when to seek advice from the Company's counsel on specific Company policies and procedures. Violations of laws, regulations, rules and orders may subject the employee to individual criminal or civil liability, as well as to disciplinary action by the Company. Because such individual violations may also subject the Company to civil or criminal liability or the loss of business, the Company takes legal compliance measures seriously and works diligently to enforce them.

B. Conflicts of Interest

Each officer, director and employee has a responsibility to the Company, its shareholders and each other to perform job duties in pursuit of the Company's best interests and to refrain from letting personal interests influence, or appear to influence, business activities. Officers, directors and employees are responsible for recognizing and avoiding any situation involving a conflict of interest. A conflict of interest exists when the duty of an officer, director or employee to give undivided business loyalty to the Company may be prejudiced by actual or potential personal benefit from another source. Officers, directors and employees should always strive to avoid even the appearance of a conflict of interest by avoiding any association or investment interest that interferes, might interfere, or might appear to interfere, with the independent exercise of judgment in the Company's best interests.

Some scenarios that may pose potential conflict of interest problems include, but are not limited to, the following:

1. Investing in any company that is known by the officer, director or employee to sell products or services similar to the Company's, or any company known to be doing or seeking to do business with the Company, other than

- relatively small investments in securities widely held by the general public;
2. Working for, or on behalf of, any such company;
 3. Placing Company business with relatives or friends, or working on a Company project that will have a direct impact on the financial interests of relatives or friends;
 4. Encouraging companies dealing with the Company to buy supplies or services from relatives or friends, for the purpose of benefiting such relatives or friends;
 5. Borrowing money from companies doing or seeking to do business with the Company other than on generally available terms;
 6. Participating in the regulatory or other activities of a community or governmental body that have a direct impact on the business of the Company or its affiliates;
 7. Hiring or supervising a relative or friend;
 8. Engaging in a personal relationship with another employee or vendor that affects one's ability to do one's job or disrupts the workplace;
 9. Serving as a director of any company that competes with the Company; and
 10. Accepting gifts or gratuities from any customer, vendor, supplier, or other person doing business with the Company or its affiliates.

Each employee is responsible for recognizing situations in which a conflict of interest or the appearance of a conflict of interest is present or might arise and for taking appropriate action to eliminate or prevent such conflict or appearance of a conflict, including reporting the situation to the appropriate level of management. Where an employee believes it is not possible to avoid any of these situations, or to avoid any other potential conflict of interest, the employee must inform his or her supervisor and make full written disclosure (in advance whenever possible) to the Company's counsel.

C. Corporate Opportunities

Officers, directors and employees may not exploit for their own personal gain opportunities that are discovered through the use of corporate property, information or position unless the opportunity is disclosed fully in writing to the Company's Board of Directors, and the Board of Directors explicitly declines to pursue such opportunity. The fact that a particular business opportunity is closely related to an existing line of business of the Company or represents a desirable avenue of expansion of Company activities is a strong indication that the Company might be interested in the opportunity. Officers, directors and employees owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises.

D. Confidential Information and Intellectual Property

The Company's confidential information is a valuable asset, and protecting that information is one of the most important obligations you have as an officer, director or employee of the Company. Upon joining the Company, each employee signs an agreement to protect and hold confidential the proprietary information of the Company and its affiliates. This agreement remains in effect for as long as the employee works for the Company and after the employee leaves the Company. For further details and guidance on the Company's confidentiality policy, please review your Confidential Information, Inventions, Nonsolicitation and Noncompetition Agreement.

E. Financial Statements and Public Disclosures

The Company is committed to fairly presenting its financial information in conformity with generally accepted accounting principles (GAAP). This financial information serves as the basis for managing the Company's business, measuring and fulfilling Company obligations, and complying with tax and financial reporting requirements. Financial reports, accounting records, research reports, expense accounts, time sheets and other documents must represent the relevant facts or the nature of the relevant transactions. Accounting and financial reporting practices must be fair and proper, in accordance with GAAP where necessary, and use management's best judgments where necessary.

The Company endeavors to provide full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with, or submits to, the Securities and Exchange Commission (the "SEC") and in other public communications made by the Company. Clear, open and frequent communication among all management levels and personnel on all significant financial and operating matters substantially reduces the risk of problems in the accounting and financial reporting areas and helps achieve these goals. All management-level employees are expected to be aware of these risks and to communicate accordingly. Internal controls will be adopted from time to time by management as needed to further assist in preventing and detecting errors and fraud, promoting accuracy and completeness in financial records and providing full, fair, accurate, timely and understandable disclosure in periodic reports and other public communications.

The Board of Directors has separately adopted a code of ethics governing the professional and ethical conduct for the Company's Chief Executive Officer and senior financial officers (the "Code of Ethics"). The Company's Chief Executive Officer and senior financial officers are expected to comply in full with this Code of Conduct in addition to the Code of Ethics.

F. Securities Laws and Insider Trading

It is against Company policy for any individual to profit from material undisclosed information relating to the Company or any company with which the Company does business. If an officer, director or employee is in possession of material inside information that the Company has not yet disclosed to the public, he or she may not purchase or sell any of the securities of the Company or "tip" others to trade in Company stock. Material inside information is defined as facts that have not been disclosed to the public that would influence a reasonable investor's decision to buy or sell a company's stock or other securities. Also, if an officer, director or employee has inside or unpublished knowledge about any of the Company's public-company suppliers, customers or any other public company that the Company does business with, he or she may not purchase or sell securities of those companies or tip others to do so. We urge you to contact the Company's counsel if you are unsure as to whether or not you are free to trade under a particular set of circumstances. For further details and guidance, please consult the Company's Insider Trading Policy.

G. Antitrust Laws

The Company is committed to obeying both the letter and the spirit of the many laws designed to encourage and protect free and fair competition. The United States antitrust laws prohibit agreements or actions in "restraint of trade," defined as restrictive practices that may reduce or hinder competition. These laws require that decisions be made and activities undertaken without any agreement or coordination with competitors. Among those agreements and activities constituting clear violations are agreements and understandings to fix or control prices and other terms of sale, to allocate products, territories or markets, or to limit the production or sale of products. Accordingly, employees must take great care to avoid any communications with the Company's competitors with respect to these types of matters.

No employee, agent or contractor of the Company may enter into an agreement or understanding, written or oral, express or implied, with any competitor concerning prices, discounts, other terms or conditions of sale, profits or profit margins, costs, allocation of product or geographic markets, allocation of customers, limitations of production, boycotts of customers or suppliers, bids or the intent to bid or even discuss or exchange information on these subjects. In some cases, legitimate joint ventures with competitors may permit exceptions to these rules, as may bona fide purchases from or sales to competitors of non-competitive products, but the Company's Chief Executive Officer or counsel must review all such proposed ventures or arrangements in advance. Collusion among competitors is illegal, and the consequences of a violation are severe and include disciplinary action up to termination and possible criminal prosecution.

Although the spirit of antitrust laws is straightforward, their application to particular situations can be quite complex. To ensure that the Company complies with these laws, each officer, director and employee of the Company should consult with the Company's counsel early on when questionable situations arise.

H. Political Activity

The Company reserves the right to communicate its position on important issues to elected representatives and other government officials. It is the Company's policy to comply with all local, state, federal, foreign and other applicable laws, rules and regulations regarding political contributions. The Company's funds or assets must not be used for, or be contributed to, political campaigns or political practices under any circumstances without the prior written approval of the Company's Chief Financial Officer or counsel and, if required, the Board of Directors. If employees engage in personal political activity on their own time, they must take particular care not to imply that they are acting on behalf of the Company.

I. Discrimination and Sexual Harassment

The Company recognizes and values the integrity of its employees and their right to work in an environment free of unlawful discrimination and harassment. The Company prohibits discrimination and harassment based upon any individual's age, race, color, religion, sex, national origin, marital status, sexual orientation, veteran status, the presence of any sensory, mental, or physical disability, or any other status or characteristic protected by federal, state, or local law. Conduct that the Company determines violates this policy will result in strict disciplinary action, up to and including immediate termination, even if the conduct is not severe enough to violate the law. Discrimination and harassment not only violate the Company's policy, but may violate federal, state, and local law.

J. No Contractual Rights

All statements contained in this Code are intended to reflect general policies, principles, and procedures, do not represent contractual commitments on the part of the Company and may be changed at any time. Without limiting the generality of the foregoing, nothing in this Code should be construed as providing any additional employment rights, employment contracts or terms of employment to any person.

DISSEMINATION AND ENFORCEMENT OF THE CODE

A. Dissemination and Compliance Certification

Current versions of the Code will be distributed periodically to all officers, directors and employees of the Company. Upon receipt, you must sign the acknowledgement form at the end of the Code and return it to the Company's counsel indicating that you have read, understand, and agree to comply with the Code provisions.

B. Routine Monitoring

Compliance with the Code is, first and foremost, the individual responsibility of every employee. The Company seeks to foster an environment in which ethical issues and concerns may be raised and discussed with supervisors or others without fear of retribution. Managers and supervisors have key roles in assuring employee compliance with the Code and remaining accessible and open to discuss employee ethical concerns. All management-level employees are expected to demonstrate their personal commitment to the Company's standards of conduct and to manage their employees accordingly.

C. Reporting of Illegal and Unethical Behavior

You have the right and the responsibility to question or challenge situations in which you suspect that something improper, unethical or illegal is occurring. Employees are expected to report what they believe in good faith to be a violation of law or Company policy, whether accidental or deliberate, to their immediate supervisor. If the reporting individual is not satisfied with the supervisor's response or requires an alternative means of reporting a violation, he or she may report the matter directly to the Company's counsel. We encourage you to err on the side of reporting rather than letting a possible violation go uncorrected. A knowing failure to report a violation may itself be a violation of the Code. Upon learning of a credible suspected violation of law or Company policy, supervisors must communicate the employee's report to more senior management and, where appropriate, to the Company's counsel, so that the substance of the report may be investigated.

You may confront an ethical issue that this Code or other Company policies do not expressly address. Employees should feel comfortable contacting a member of management, a supervisor or the Company's counsel for guidance in such situations. Any employee who in good faith raises an issue regarding a possible violation of law or Company policy will not be subject to retaliation, and their confidentiality will be protected to the extent possible, consistent with law, corporate policy and the requirements necessary to conduct an effective investigation. Allegations will be investigated promptly by the Company's counsel and, if appropriate, reported to authorities. In order to facilitate implementation of this Code, officers, directors and employees have a duty to cooperate with the investigation process and to maintain the confidentiality of investigative information unless specifically authorized to disclose such information.

For additional guidance related to the reporting of violations related to accounting, internal accounting controls or auditing matters, please consult the Company's "Procedures For Complaints Regarding Accounting, Internal Accounting Controls or Auditing Matters."

D. Waivers

Any waiver that constitutes a material departure from any provision of this Code for a director or an executive officer of the Company must be approved in writing by the Board of Directors and promptly disclosed publicly, to the extent required by applicable rules and regulations of the SEC and the National Association of Securities Dealers. Any waiver of any provision of this Code with respect to any other employee, agent or contractor must be approved in writing by the Company's counsel.

E. Penalties for Violations of the Code

The matters covered in this Code are important to the Company, its shareholders and its business partners. We expect all of our officers, directors and employees to adhere to these policies in carrying out their duties for the Company. Appropriate action will be taken against anyone whose actions are found to violate these policies. No improper or illegal behavior will be justified by a claim that it was ordered by someone of higher authority. No one, regardless of position, is authorized to direct an employee to commit a wrongful act. Any officer, manager or supervisor who directs, approves or condones infractions, or has knowledge of them and does not act promptly to report and correct them in accordance with this Code, will also be subject to disciplinary action. It is each employee's responsibility to resolve with the Company's counsel any potential conflicts with this Code.

Upon receiving reports of alleged violations of the Code, the Company will weigh relevant facts and circumstances, including but not limited to the extent to which the behavior was contrary to the express language or general intent of this Code or other Company policies, the egregiousness of the behavior, the employee's history with the Company and other factors which the Company deems relevant. Disciplinary actions may range from censure to revocation of privileges to re-assignment, demotion, suspension or termination of employment or business relationship at the Company's sole discretion. Where the Company has suffered a loss, it may pursue legal remedies against the persons or entities responsible. In some cases, the Company may have a legal or ethical obligation to call violations to the attention of external enforcement authorities.

If I have questions concerning the meaning or application of Code provisions, any Company policies, or the legal and regulatory requirements applicable to my job, I understand that I can consult my supervisor, manager or the Company's counsel with the expectation that my questions or reports to these sources will be maintained in confidence to the extent practicable.