



## Code of Business Conduct and Ethics

This Code of Business Conduct and Ethics ("Code of Ethics") reflects the commitment of Expedia, Inc. and its subsidiaries ("Expedia") to conduct its business affairs in accordance with not only the requirements of law but also standards of ethical conduct that will maintain and foster Expedia's reputation for honest and straightforward business dealings. The standards in this Code of Ethics may be further explained or implemented through policy memoranda, including those relating to specific areas of our business. All directors, officers, employees, contractors and consultants (collectively referred to in this Code of Ethics as "Covered Persons") are expected to read and understand this Code of Ethics, uphold these standards in their corporate activities and take personal responsibility for compliance with all applicable policies and procedures. This Code of Ethics and related memoranda and manuals are available from the Human Resources Department and Legal Department and on Expedia's internal website.

You are strongly encouraged to consult with your manager, Corporate Audit Services or the Legal Department if you have any questions concerning the requirements or interpretation of this Code of Ethics.

Covered Persons who violate the standards in this Code of Ethics may be subject to disciplinary action up to and including termination. *If you are in or aware of a situation that you believe may violate or lead to a violation of this Code of Ethics, please follow the guidelines described below in Sections 8 and 9.*

### 1. Honest, Lawful and Ethical Conduct

The conduct of Covered Persons in performing their duties on behalf of Expedia must in all situations, as to all matters and at all times, be honest, lawful and in accordance with high ethical and professional standards. In addition, the conduct of Covered Persons must at all times be respectful of the rights of others and, in keeping with their duty of loyalty to Expedia, must at all times be in the best interests of Expedia.

The requirement of honest, lawful and ethical conduct is broad and therefore must be stated in general terms. As such, this Code of Ethics does not cover every issue that may arise, but instead sets out basic principles to guide Covered Persons of Expedia.

### 2. Conflicts of Interest

Covered Persons owe a duty to Expedia to act in Expedia's interests and advance its legitimate interests when the opportunity to do so arises. A "conflict of interest" exists when a person's personal or private interests improperly interfere with the interests of Expedia. It is not practical to list every possible conflict of interest that may arise. It is up to you to avoid situations in which interests may conflict. A conflict situation can arise when a Covered Person takes actions or has interests that may make it difficult to perform his or her work for Expedia objectively and effectively. Conflicts of interest may also arise when a Covered Person, or any member of his or her family, receives improper personal benefits because of his or her position in Expedia. Covered Persons are responsible for recognizing and avoiding any situation involving a conflict of interest. Covered Persons should strive to avoid even the appearance of a conflict of interest by avoiding associations or investment interests that interfere, might interfere or might appear to interfere with the independent exercise of judgment in Expedia's best interests. Each Covered Person is responsible 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.

Expedia respects the privacy of its Covered Persons and their right to engage in outside activities that do not conflict with the interests of, do not interfere with the performance of their duties on behalf of and do not reflect poorly on Expedia. Expedia nonetheless has the right and obligation to determine whether conflicts of interest exist and to take appropriate action to address them.

Before engaging directly or indirectly in any transaction or relationship that reasonably could give rise to an actual or apparent conflict of interest:

- Board members and executive officers must provide a full and fair disclosure of all relevant facts and circumstances to, and receive the approval of, the Board of Directors or a committee thereof and receive the express written approval from the same.
- Any other Covered Person must provide a full and fair disclosure of all relevant facts and circumstances to the General Counsel and receive express written approval from the same.

In addition, if a Covered Person's spouse or other close family member works for a firm that does business with or competes against Expedia, the Legal Department should be advised of the situation in writing.

Conflicts of interest may not always be clear-cut, so if you have a question, you should consult with the Legal Department.

### **3. Compliance with Laws, Regulations and Rules**

Complying with the law is the foundation on which Expedia's ethical standards are built. It is Expedia's policy to be a good "corporate citizen." All Covered Persons must comply with applicable laws, regulations, rules and regulatory orders applicable in the country, state and local jurisdictions where business is conducted, including anti-corruption laws, export control laws, securities laws, antitrust laws and other fair competition laws. Each Covered Person 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 Legal Department on specific Expedia policies and procedures. If a law conflicts with a policy in this Code of Ethics, you must comply with the law. Violations of laws, regulations, rules and orders may subject the Covered Person to individual criminal or civil liability, as well as to discipline by Expedia, and individual violations may subject Expedia to civil or criminal liability or the loss of business.

### **4. Insider Trading**

Covered Persons who, as a result of their employment at or other association with Expedia, are in possession of material, non-public information about any publicly traded corporation, including Expedia, may not engage in transactions in the securities of such corporations and may not share such information with anyone who might engage in such transactions. To do so is not only unethical but also illegal and could expose you and Expedia to civil and criminal penalties.

All Covered Persons are required to read, familiarize themselves and comply with the "*Expedia Securities Trading Policy*." Additional copies of the policy can also be obtained from Expedia's internal website, Human Resources or the Legal Department. If you should have further questions in this area, please consult the Legal Department.

### **5. Disclosure, Financial Reporting and Accounting**

Expedia is committed to establishing and maintaining effective internal controls, as well as best practices in accounting and financial reporting. Expedia is further committed to providing full, fair, accurate, timely and understandable disclosure in all reports and documents filed with or submitted to the Securities and Exchange Commission ("SEC") and in all other public communications made by Expedia. All of Expedia's books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect Expedia's transactions and must conform both to applicable legal requirements and to Expedia's system of internal controls. Unrecorded or "off the books" funds or assets should not be maintained unless permitted by applicable law or regulation and brought to the attention of the Chief Financial Officer. Covered Persons are required to cooperate fully with internal and independent auditors during audits of Expedia's books, records and operations.

Any Covered Person of Expedia who learns of any material information affecting or potentially affecting the accuracy or adequacy of the disclosures made by Expedia in its SEC filings or other public statements shall bring the matter promptly to the attention of a member of the Disclosure Practices Committee. The Disclosure Practices Committee consists of the General Counsel, Chief Financial Officer and such other Covered Persons of Expedia as may be designated from time to time. A list of current Disclosure Practices Committee members can be found via the DPC email alias. Senior management, including the senior financial officers, of Expedia's brands and businesses shall report their respective financial results to senior management of Expedia in a way that enables Expedia to fairly present the consolidated financial position and the consolidated results of operations and cash flows of Expedia in conformity with accounting principles generally accepted in the United States, applied on a consistent basis.

Any Covered Person who learns of information concerning (i) significant deficiencies or material weaknesses in the design or operation of internal controls that could adversely affect Expedia's ability to record, process, summarize and report financial data accurately, or (ii) any fraud, whether or not material, involving management or other Covered Persons who have a significant role in Expedia's financial reporting, disclosures or internal controls shall bring the matter promptly to the attention of the VP Corporate Audit Services or General Counsel.

### **6. Confidentiality**

Covered Persons must maintain the confidentiality of confidential information entrusted to them by Expedia or its customers or suppliers, except when disclosure is authorized by the Legal Department, required by laws or regulations after consultation with the Legal Department, or ordinary and necessary in the course of carrying out their responsibilities as an Covered Person of Expedia as authorized by Expedia. Confidential information includes all information marked or otherwise designated as such by Expedia, nonpublic information that might be of use to competitors, or harmful to Expedia or its customers or suppliers, if

disclosed and any other important or valuable information of Expedia's that is not available to the public. It also includes information that suppliers and customers have entrusted to us. Confidential information must be used for Expedia business purposes only. The obligation to preserve and not to mis-use confidential information continues even after employment or association with Expedia ends.

## 7. Waivers of this Code of Ethics

Any waiver of this Code of Ethics for executive officers or directors of Expedia may be made only by the Board of Directors or a properly authorized Board committee and will be promptly disclosed to stockholders along with reasons for such waiver as required by law or the Nasdaq Stock Market, Inc. Marketplace Rules.

## 8. Compliance Procedures

We must all work to ensure prompt and consistent action in response to violations of this Code of Ethics. However, in some situations it is difficult to know right from wrong. Since we cannot anticipate every situation that will arise, it is important that we have a way to approach a new question or problem. Please consider the following:

- *Make sure you have all the facts.* In order to reach the right solutions, we must be as fully informed as possible.
- *Ask yourself: What specifically am I being asked to do? Does it seem unethical or improper?* This will enable you to focus on the specific question you are faced with, and the alternatives you have. Use your judgment and common sense.
- *Discuss the problem with your manager.* This is the basic guidance for all situations. In many cases, your manager will be more knowledgeable about the question, and will appreciate being brought into the decision-making process. Remember that it is your manager's responsibility to help solve problems.
- *Ask first, act later.* If you are unsure of what to do in any situation, seek guidance before you act.

## 9. Enforcement

Expedia is committed to full, prompt and fair enforcement of the provisions of this Code of Ethics.

### *Reporting Violations*

Any Covered Person who learns of information indicating that a violation of this Code of Ethics has been or is about to be committed shall immediately report the facts to the VP Corporate Audit Services or General Counsel. The failure to report a violation of this Code of Ethics may itself be a violation of this Code.

Concerns relating to accounting, internal accounting controls and auditing matters may also be reported anonymously, to the extent consistent with local law, by following the steps set forth in Expedia's policy on *Employee Compliance Procedures*.

Whenever an Expedia lawyer learns of a reported violation of the Code of Ethics that involves a violation of law (including any violation of the securities laws) or otherwise appears to be particularly serious, he or she shall immediately inform the General Counsel.

### *Protection for Reporting Violations*

It is prohibited, and is a violation of this Code of Ethics, for Expedia, its Covered Persons or agents to retaliate in any way against anyone who has reported to Expedia in good faith information indicating that a violation of this Code of Ethics may have occurred or may be about to occur. Prohibited forms of retaliation include adverse employment actions (such as termination, suspension and demotion), the creation of a hostile work environment and any other type of reprisal for the good-faith reporting of a possible violation of this Code of Ethics.

### *Investigating Reports of Violations.*

Upon receipt of a report of a possible violation of this Code of Ethics, the Legal Department or Internal Investigations Group under the supervision of the VP Corporate Audit Services shall promptly initiate an investigation to gather the relevant facts as set forth in the *Expedia Complaint Procedures*.

### *Sanctions for Violations.*

Appropriate disciplinary action shall be determined upon completion of the investigation, if the General Counsel or VP Corporate Audit Services concludes that a violation of the Code of Ethics has been committed and disciplinary action is warranted. Any violation of this Code of Ethics may result in serious repercussions, which may include dismissal, suspension without pay, loss of pay or bonus, loss of benefits, demotion or other repercussions.