



**COSTAR GROUP, INC.  
BOARD OF DIRECTORS  
CODE OF CONDUCT AND CONFLICTS OF INTEREST POLICY**

**I. GENERAL STATEMENT OF BUSINESS PHILOSOPHY**

The commitment to excellence is fundamental to the philosophy of CoStar Group, Inc. and its direct and indirect subsidiaries (collectively, “CoStar” or the “Company”). One essential objective is our conviction to uphold ethical standards in all of our corporate activities. The purpose of this Code of Conduct and Conflicts of Interest Policy is to strengthen the Company's ethical climate and to provide basic guidelines for situations in which ethical issues arise.

The Board of Directors (the "Board") of CoStar has adopted the following Code of Conduct and Conflict of Interests Policy (the "Code") for the Board of Directors. This Code is intended to focus the Board and each director on the duties and responsibilities of directors, provide guidance to directors to help them recognize and deal with ethical issues, provide mechanisms to report known or suspected illegal behavior or unethical conduct, and help foster a culture of honesty and accountability. Each director must comply with this Code.

No code or policy can anticipate every situation that may arise. Accordingly, this Code is intended to serve as a source of guiding principles for directors. Directors are encouraged to bring questions about particular circumstances that may implicate one or more of the provisions of this Code to the attention of the Chair of the Nominating and Corporate Governance Committee or to the Company's General Counsel.

Directors who also serve as officers of the Company must follow this Code in addition to the Company's Code of Conduct for Employees.

**A. CONFLICTS OF INTEREST**

All directors of the Company should be scrupulous in avoiding any action or interest that conflicts with, or may reasonably be expected to conflict with, CoStar's interests. A “conflict of interest” exists whenever an individual's private interests interfere or conflict in any way or even appear to interfere or conflict) with the interests of CoStar. A conflict situation can arise when a director takes actions or has interests that may make it difficult to perform his or her work for CoStar objectively and effectively. Conflicts of interest may also arise when a director or a member of his or her family receives improper personal benefits as a result of his or her position with CoStar, whether from a third party or from CoStar. A conflict of interest may also arise if you conduct business on behalf of CoStar with a member of a director's family. Moreover, a conflict of interest may also arise if a director conducts business on behalf of CoStar with an entity in which the director or a family member has an interest.

You are required to refrain from all conflicts of interest situations. Conflicts of interest may not always be clear-cut, so if a question arises, please consult with the Chair of the Nominating and Corporate Governance Committee or to the Company's General Counsel.

**B. CORPORATE OPPORTUNITIES**

Directors of the Company are prohibited from taking for themselves, personally, opportunities that are discovered through the use of corporate property, or in which they anticipate that the Company might have an interest. No director may use corporate property, information or position for improper personal gain and no director may compete with the Company for business opportunities directly or indirectly. Notwithstanding the foregoing, if disinterested directors determine that the Company will not pursue an opportunity that relates to the Company's business, a director may do so.

**C. CONFIDENTIALITY**

Directors should maintain the confidentiality of information entrusted to them by the Company and any other confidential information about the Company that comes to them from whatever source, in their capacity as a director, except when the Company authorizes disclosure or required by law. "Confidential information" includes all non-public information relating to the Company.

**D. COMPLIANCE WITH LAWS, RULES AND REGULATIONS**

Obeying the law, both in letter and in spirit, is one of the foundations on which our Company's ethical standards are built. Directors shall comply, and oversee compliance by employees, officers and other directors, with laws, rules and regulations applicable to the Company, including insider-trading laws. Transactions in the Company's securities by directors, officers and other employees are governed by the Company's Policy Statement on Corporate Information, Including Insider Information and Securities Insider Trading.

In addition, no director shall take any action to fraudulently influence, coerce, manipulate or mislead the Company's independent public accountants engaged in the performance of an audit of the Company's financial statements for the purpose of rendering such financial statements materially misleading.

**E. COMPLETE, ACCURATE AND TIMELY DISCLOSURE**

As a public company, it is of critical importance that CoStar's filings with the Securities and Exchange Commission be accurate and timely. CoStar is committed to full compliance with all requirements applicable to its public disclosures. A director may be called upon to provide necessary information to assure that the Company's public records are complete, fair and understandable. All directors who provide information as part of that process should take reasonable steps to ensure that the disclosures related to such information are complete, accurate and in compliance with CoStar's disclosure controls and procedures.

**II. WAIVERS OF THE CODE OF CONDUCT**

Any waiver of this Code for a director may be made only by the independent directors of the Board of Directors or a committee of the Board of Directors comprised solely of independent directors. Such waiver will be promptly disclosed if required by law or by applicable stock exchange regulations.

**III. REPORTING SUSPECTED NON-COMPLIANCE**

Directors who suspect or know of violations of this Code or illegal or unethical business or workplace conduct by employees, officers or other directors have an obligation to report promptly such behavior to the Chair of the Nominating and Corporate Governance Committee or to the Company's General Counsel. Such communications will be kept confidential to the extent feasible.

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