



**CODE
OF
CONDUCT**

2013

At-Will Employment

This Code of Conduct is not an employment contract and does not create contractual obligations of any kind. Employment with Emisphere Technologies (hereinafter, “the Company”) is at-will and the employment relationship may be terminated by either the Company or the employee at any time with or without notice or cause. Nothing in the Code of Conduct constitutes a contract or a promise of any kind. The Company has the absolute right to delete, update, and/or modify the contents of this Code of Conduct, as well as wages, or working conditions without notice, without consultation and without the need for mutual agreement.

STANDARDS OF BUSINESS ETHICS AND CONDUCT

Lawful and Ethical Behavior

Lawful and ethical behavior is required at all times. The purpose of this Code of Conduct is to provide a statement of certain key policies and procedures of Emisphere Technologies, Inc. (“Emisphere”) for conducting its business in a legally and ethically appropriate manner. This larger process includes compliance with the corporate policies themselves, an open relationship between employees and supervisors that is conducive to good business conduct, and, above all, the integrity and good judgment of employees.

It is and has been Company practice to be a good “corporate citizen” wherever we do business, and to obey applicable federal, state and local laws, rules, and regulations (collectively, “Laws”) including Laws covering the research, development, manufacture and sale of pharmaceuticals, antitrust Laws, Laws concerning the sale and purchase of Emisphere stock and Laws regarding employer/employee relationships. Emisphere expects to promote high moral standards by conducting our affairs in an ethical manner.

The corporate policies described herein should be understood and followed by every employee of Emisphere. Employees are responsible for reviewing and understanding these policies and procedures to the extent such policies and procedures are related to them and their activities. Employees may obtain advice concerning these policies from their immediate supervisor, or any corporate officer. Summarized below are certain practices and procedures of Emisphere particularly important to Emisphere’s business, and the preservation of its good name and reputation. Integrity is, and must continue to be, the foundation of all corporate relationships.

Financial Related Disclosure and Compliance

To ensure that the reports filed with the Securities and Exchange Commission (“SEC Reports”) contain all necessary disclosures, the following process is established. A Disclosures Controls and Procedures Committee (“DCP”), comprised of financial, business, in-house legal, and scientific management meet on a regular basis as required to provide the necessary foundation for signing the SEC Reports. Responsibilities of the DCP Committee are as follows:

- 1) Holds regular meetings as required prior to the filing of each of the Company’s annual and quarterly Exchange Act reports to evaluate the necessity of making public disclosures, and otherwise as it determines.

- 2) Distributes quarterly certifications to the appropriate management and other Company personnel designed to gather timely information required to be disclosed in the Company's Exchange Act reports(10K/Q).
- 3) Reviews and distributes guidelines (8-K manual) to the appropriate management and Company personnel designed to gather timely information that is required to be disclosed in a form 8-K.
- 4) Evaluates the effectiveness of the Company's "disclosure controls and procedures" prior to the filing of each of the Company's annual and quarterly Exchange Act reports and assists the CEO and CFO with their evaluation of the effectiveness of those disclosure controls and procedures. The Committee's evaluation includes, but is not limited to:
 - a. assessing the adequacy of the controls and procedures in place to ensure that material information required to be disclosed in the Company's periodic reports is being recorded, processed, summarized and reported in those periodic reports;
 - b. identifying all significant deficiencies in the design or operation of the Company's internal controls which could adversely affect the Company's ability to record, process, summarize and report financial data;
 - c. monitoring the corrective actions being taken to address the significant deficiencies in the design or operation of the internal controls; and
 - d. identifying any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls.
- 5) Reviews each annual and quarterly Exchange Act report prior to the Company filing them with the SEC to assess the quality of the disclosures made in the report including, but not limited to, whether the report is accurate and complete in all material respects.
- 6) Reports to the CEO and the CFO the Committee's evaluation findings and conclusions regarding the effectiveness of the Company's disclosure controls and procedures and the Committee's assessment of the quality of the disclosures made in the Company's annual and quarterly Exchange Act report. Committee reports occur prior to the filing of each of the Company's annual and quarterly Exchange Act reports.
- 7) Reviews and reassesses the adequacy of the DCP Charter annually and recommends any proposed changes to the CEO and the CFO for approval.
- 8) Reviews all financial related press releases and scripts for earnings calls.

Corporate Compliance

It is the policy of Emisphere to prevent the occurrence of unethical or unlawful behavior, to halt any such behavior as soon as reasonably possible after its discovery, and to discipline those who engage in or countenance such behavior. Failure to comply with the standards contained in the Code may damage Emisphere's good name, its trade and consumer relations, and its business opportunities, and may also violate federal, state and local Laws. These violations may subject both Emisphere and the

individuals involved, to prosecution, imprisonment and fines, and may subject the Employee to discipline, including possible termination of employment.

Company officers (executive management), human resources and in-house legal counsel have been designated as the Office of Compliance which will have ultimate responsibility for overseeing compliance with all applicable laws, the Code of Conduct, and all other related Company policies and procedures. This Office is accountable to the Board of Directors and its Audit Committee and reports to the Chief Executive Officer.

If you know of, or reasonably believe there is a violation of Laws or the policies set forth in this Code, please report the information immediately to your supervisor, any member of executive management, Human Resources or to in-house legal counsel. If you believe the supervisor to whom you have reported the violation, or possible violation, has not taken appropriate action, you must contact a company officer, Human Resources or in-house legal counsel. Investigations will be conducted by and under the supervision of executive management, human resources, or the Audit Committee of the Board of Directors. It is imperative that persons who make such reports not conduct their own preliminary investigations unless authorized to do so by executive management or Human Resources or Audit Committee. Reports of a violation or possible violation may be made by telephone, in person or in writing, either openly or anonymously. (Refer to "Reporting Suspected Misconduct" in Employee Manual). A sufficiently detailed description of the factual basis for the allegations should be provided in order to allow for an appropriate investigation.

The Company will hold periodic training sessions to assist employees in complying with the relevant Laws, rules and regulations associated with their employment, including Laws prohibiting insider trading. While we do not expect you to memorize every detail of these Laws, the Company expects you to be able to determine when to seek advice from others. If you do have a question in the area of legal compliance, it is important that you not hesitate to seek answers from your immediate supervisor, executive management, Human Resources, or in-house legal counsel.

Reporting Improper Conduct

Employees who wish to report suspected instances of improper conduct, including accounting, internal controls, or auditing matters in our company are encouraged to do so.

Emisphere is committed to full compliance with local, state and federal (including securities) laws and its own corporate policies regarding legal and ethical responsibilities, particularly in the areas of equal opportunity, environmental issues, work-related discrimination, and employee health & safety. It is the responsibility of each employee to abide by the law as well as company guidelines and to bring to the attention of management any situation in which a violation has been observed.

If you are concerned that a legal, ethical or policy-related violation has occurred or may occur, you are urged to report it either to your supervisor, a company officer, Human Resources, in-house legal counsel, the Audit Committee of the Board of Directors, the Board of Directors, or the CEO.

It is necessary for you to provide detailed information to initiate an effective investigation. Therefore, we encourage all employees to present as much detail and facts as possible so that proper attention to each matter may be given.

While it would be our hope that you will never encounter a potential violation which would warrant the filing of a report, it is both your right and obligation to submit a report should you become aware of such a violation.

Emisphere is committed to the principles of ethics, law and good will that underlie our values and company practices.

Ethics Hotline

Under the Sarbanes-Oxley Act of 2002, we are required to provide procedures for the confidential and anonymous reporting of questionable or fraudulent accounting and auditing actions by Emisphere employees. Emisphere has a Corporate Governance and Ethics hotline number which is managed by an outside service to ensure anonymity. Concerns or complaints about accounting, internal accounting controls or auditing matters may be submitted to Emisphere's Corporate Governance and Ethics hotline anonymously by telephone at **877-409-5325** or on the web at **<http://emisphere.alertline.com>**.

It is strongly suggested that employees call from an outside line. Calls made from Emisphere's internal phone system or an Emisphere cellular phone are logged in a database and the Company can not assure your anonymity if calls are made from an Emisphere phone line. Please note that this hotline number is exclusively for the use of Emisphere employees and should not be shared with any person who is not an Emisphere employee.

Community Relations

Emisphere recognizes that constructive interaction and positive relationships within the community are critical to its business success. The Company's goal is to contribute to the overall economic vitality of the community by operating our facilities in accordance with environmental Laws and regulations, and by supporting and encouraging public policies that enhance the proper operation of Emisphere's business.

EMPLOYMENT and WORKPLACE PRACTICES

Non-Discrimination

Emisphere's greatest strength is our people. It is the policy of the Company to recruit, hire, train, and promote persons without regard to race, color, gender, gender orientation, religion, marital status, age, national origin, physical or mental disability, or any other consideration made unlawful by federal, state, or local Laws.

Individual managers have direct responsibility for implementing this policy and communicating it to their respective departments. However, the adherence and support of all employees is essential with regard to this and all other policies of the Company.

Harassment

In accordance with Laws, the Company prohibits sexual harassment and harassment because of race, color, national origin, religion, disability, gender, gender orientation, marital status, age, and any other basis protected by federal, state, or local law. No form of unlawful harassment will be tolerated.

Applicable state and federal law defines sexual harassment as unwanted sexual advances, requests for sexual favors, or visual, verbal, or physical conduct of a sexual nature when: (1) submission to the conduct is made a term or condition of employment; or (2) submission to or rejection of the conduct

is used as a basis for employment decisions affecting the individual; or (3) the conduct has the purpose or effect of unreasonably interfering with the employee's work performance or creating an intimidating, hostile, or offensive working environment. This definition includes many forms of offensive behavior that may constitute sexual harassment. The following is a partial list:

- Unwanted sexual advances
- Offering employment benefits in exchange for sexual favors
- Making or threatening reprisals after a negative response to sexual advances
- Visual conduct such as leering, making sexual gestures, or displaying sexually aggressive objects, pictures, cartoons, or posters
- Verbal conduct such as making or using derogatory comments, epithets, slurs, sexually explicit jokes, or comments about any individual's body or dress
- Verbal sexual advances or propositions
- Verbal abuse of a sexual nature, graphic verbal commentary about an individual's body, sexually degrading words to describe an individual, or suggestive obscene letters, notes, or invitations
- Physical conduct such as touching, assault, or impeding or blocking movements; and
- Retaliation for reporting harassment or threatening to report harassment

Other Types of Harassment

Prohibited harassment on the basis of race, color, national origin, religion, physical or mental disability, gender, gender orientation, marital status, age, or any other protected basis, could include behavior similar to sexual harassment, such as:

- Verbal conduct such as threats, epithets, derogatory comments, or slurs;
- Visual conduct such as derogatory posters, photographs, cartoons, drawings, or gestures;
- Physical conduct such as assault, unwanted touching, or blocking normal movement; and
- Retaliation for reporting harassment or threatening to report harassment

Incidents of prohibited harassment that are reported will be investigated by the Company. If the Company determines that prohibited conduct has occurred, the Company will take effective remedial action commensurate with the circumstances. If a complaint of prohibited conduct is substantiated, appropriate disciplinary action, up to and including termination, will be taken. Final decisions on claims will not be precedent-setting or binding on future claims.

Protection of Employees

It is the policy of Emisphere to prohibit discrimination, harassment and/or retaliation against any employee who provides information or otherwise assists in an investigation or proceeding regarding any conduct which he or she reasonably believes to be a violation of federal securities laws; federal laws regarding mail fraud, wire, radio or television fraud, or bank fraud; the rules or regulations of the Securities and Exchange Commission ("SEC"); any provision of federal law relating to fraud against shareholders; or the commission or possible commission of a federal offense. Everyone at the Company is responsible for assuring that the workplace is free from all forms of discrimination, harassment and retaliation prohibited by this policy. No officer, employee, agent, contractor or subcontractor of this Company has the authority to engage in any conduct prohibited by this policy.

This policy protects:

- any employee who discloses an alleged violation of: the federal securities laws, the federal laws regarding mail fraud, wire, radio or television fraud, or bank fraud, the rules or regulations of the SEC, or any provision of federal law relating to fraud against shareholders to a federal regulatory or law enforcement agency, any member or committee of Congress, any person with supervisory authority over the employee, or any other person working for the Company who has the authority to investigate, discover or terminate conduct prohibited by this policy
- any employee who files, causes to be filed, testifies, participates in, or otherwise assists in a proceeding filed under the federal securities laws, the federal laws regarding mail fraud, wire, radio or television fraud, or bank fraud, the rules or regulations of the SEC, or any provision of federal law pertaining to fraud against shareholders
- any employee who makes a confidential complaint, whether anonymous or otherwise, about questionable accounting, internal accounting controls, or auditing matters at the Company; or
- any employee who provides to a law enforcement officer any truthful information relating to the commission or possible commission of any federal offense

If an employee engages in any of the activities listed above, the Company will not discharge, demote, suspend, threaten, harass or otherwise discriminate or retaliate against him or her in the terms or conditions of employment because of that activity.

Any employee who believes that he or she has been the subject of prohibited discrimination, harassment and/or retaliation or is aware of any conduct which may be prohibited by this policy is strongly encouraged to report immediately the facts forming the basis of that belief or knowledge to his or her supervisor, executive management, Human Resources or in-house legal counsel. The employee may also report such conduct by submitting a complaint, either anonymous or otherwise, to the Company's Audit Committee. Any employee who receives such a complaint or witnesses any conduct which may be prohibited by this policy must immediately notify his or her supervisor, executive management, Human Resources or in-house legal counsel.

Upon receiving a complaint, the Company will conduct an investigation. It is the obligation of all employees to cooperate in such investigation. The Company prohibits retaliation against any employee who makes a complaint under this policy or participates in the Company's investigation.

In the event that an investigation establishes that an employee has engaged in conduct or actions constituting discrimination, harassment and/or retaliation in violation of this policy, the Company will take immediate and appropriate corrective action up to and including termination of that employee's employment.

Health and Safety

Emisphere is committed to providing a work environment that strives to protect employee health and safety. Employees are responsible for learning and adhering to the safety procedures applicable to their jobs.

Substance Abuse and Alcohol

The use, distribution, dispensation, sale, offering for sale, possession, purchase, manufacture, or trading of illegal drugs on the Company's premises, or in any other work-related environment is strictly prohibited. The prohibition of illegal drug activity includes occasions when an employee is representing Emisphere at events and meetings outside Company facilities and/or beyond normal work hours.

Substance abuse can have an adverse impact on an employee's work, personal and family life, as well as on the Company itself. It can cause poor performance, decrease productivity, and create safety hazards. Consequently, the Company is committed to establishing and maintaining an alcohol and drug-free workplace.

Employees are not permitted to report to work under the influence of alcohol or to consume alcohol while on the Company's premises, except during certain functions sponsored by the Company. During official day or evening functions at which alcohol may be served, employees are prohibited from drinking excessive amounts of alcohol. Employees who violate this policy are subject to disciplinary action up to and including termination. The Company reserves the right to judge whether an employee is in violation of this policy.

In order to implement this policy, the Company reserves the right, within the limits of the Law, to conduct searches on Company premises, including employee personal property, in order to detect evidence of the presence of illegal substances or alcoholic beverages. Any and all employees are subject to drug and alcohol screening (urinalysis, breathalyzer and/or blood testing), within the limits of the Law, if there is a suspicion that a person is under the influence of drugs or alcohol. Refusal to be tested may result in immediate dismissal. Erratic or unusual behavior, including a sudden decline in work performance, which might lead to a suspicion of substance abuse, is itself a basis for dismissal, regardless of test results or refusal to submit to such testing.

"Open Door Policy"

All supervisory and management personnel, including all officers of Emisphere, the CEO and Chairman of the Board have an "open door policy" that encourages any employee to present their concerns, problems or complaints directly and ask questions. At times an employee may require clarification of a directive or statement; may have an idea or suggestion about the job or workplace; may wish to discuss a problem; or may want to discuss his or her future. Each employee is encouraged to discuss these matters with their supervisor. Should the supervisor be unable to provide adequate assistance, an employee should seek assistance from a higher level of management. It is important that employees speak up promptly so that issues may be addressed in a timely manner.

CONFLICTS OF INTEREST

Ownership or Financial Interest in Other Businesses

It is the policy of the Company that employees represent the Company in a positive and ethical manner and avoid conflicts of interest and the appearance of conflicts of interest. Employees are expected to refer questions and concerns about conflicts and potential conflicts to their supervisor(s). Employees must not engage in any activity, practice, or act which conflicts with, or appears to conflict with, the interests of the Company.

Since it is impossible to describe all of the situations that may constitute or give the appearance of a conflict of interest, the following prohibitions are intended as illustrative and not exhaustive:

- Employees may not provide services as an employee or otherwise to any organization which does business with the Company or is a competitor of the Company. This prohibition includes serving as an advisor or consultant to any such organization, unless that activity is conducted as a representative of the Company and is approved by the Company
- Employees must disclose any financial interest they or their immediate families have in any firm which does business with the Company or which competes with the Company. The Company may require divestiture of such interest if it deems the interest to be in conflict with its best interests
- Employees and their immediate families are not to accept gifts, except those of nominal value, or any special discounts or loans from any person or firm doing, or seeking to do, business with the Company. The meaning of gifts for purposes of this policy includes the acceptance of lavish entertainment and free travel and lodging
- Employees are not to give, offer, or promise, directly or indirectly, anything of significant value to any representative of a partner, of a potential partner, or of a financial institution in connection with any transaction or business that the Company may have with such partner, potential partner, or financial institution

“Inside” Information and Securities Trading

It is the policy of the Company that all directors and employees of the Company comply with the securities laws, including those prohibiting insider trading. The federal securities laws, among other things, prohibit trading in the securities of the Company when in possession of “material non-public information”.

“Material non-public information” is any information that is not publicly known and which a “reasonable investor” would consider important when deciding to buy, hold or sell securities. Listed below are a few examples of material information that may be applicable, but is not intended all-inclusive:

- Pending partnership
- Projections of future earnings or losses
- Financial liquidity issues
- Joint Venture
- Significant sale of assets
- Disposition of a business unit
- Offering of additional securities
- Changes in senior management or other key employees
- Significant new discoveries
- Protocol issues
- Results of toxicology studies and clinical trials
- Environmental exposures
- Communications with regulatory authorities such as FDA

In addition to refraining from trading in securities of the Company when in possession of material non-public information, directors and employees have an obligation to maintain the confidentiality of such information. No such information may be disclosed to any other person, including other employees or business associates (except as required in the performance of your regular duties or unless appropriate confidentiality restrictions are in place), family members or friends.

All aspects of this policy are fully applicable following termination of employment for so long as a director or employee is in possession of material non-public information.

Although it is most likely that any material, non-public information you might learn would be about Emisphere, these prohibitions also apply to trading in the securities of any Company (such as a potential partner) about whom you learn material, non-public information through your employment with Emisphere.

It is also important that only specifically designated representatives of Emisphere discuss with the news media, securities analysts and investors. Inquiries received by any employee should be referred to the Investor Relations Department.

The objective of this policy is to protect both you and Emisphere from securities law liability and compliance with this policy is of the utmost importance. Failure to comply can result in serious adverse consequences such as potential penalties including imprisonment and civil fines.

This restriction does not apply to the quarterly three month exercise periods in accordance with Emisphere's Employee Stock Purchase Plan ("ESPP"), when a cashless transaction and/or a purchase and hold is made. This does apply under the ESPP, when selling previously purchased shares and/or options.

Should you wish to transact EMIS securities and you have questions as to whether you are allowed to do so, please contact Finance & Accounting.

"Black-out" periods will be announced from time to time as needed.

Outside Employment

It is the policy of the Company that all employees obtain prior approval from management before any outside employment, free-lance or other work activity (whether part-time or full-time) is undertaken. Officers and certain designated managers and professional and technical employees are expected to devote their full working energies to the performance of their duties at the Company and, therefore, may not engage in outside employment, free-lance or other work activity. Other full-time employees may be permitted (only by special exception), but are generally discouraged from engaging in outside employment, free-lance or other work activity.

Employee requests for permission to accept outside employment, free-lance or other work activity, should be submitted in writing to the employee's supervisor or appropriate department head prior to seeking or accepting such work. The request should state any pertinent information about the outside employer, the nature of the job, and the hours of employment. The supervisor or department head should then forward the request to the department operating head, recommending either approval or disapproval.

Employees are cautioned to carefully consider the demands that outside employment, free-lance or other work activity may create prior to requesting permission to seek or accept such work. Outside

employment, free-lance or other work activity will not be considered an excuse for inadequate job performance, absenteeism, tardiness, leaving early, refusal to travel, or refusal to work overtime or different hours. If outside employment, free-lance or other work should cause or contribute to job performance problems, such work must be discontinued; and, if necessary, routine disciplinary procedures will be followed to address the specific deficiencies.

INTELLECTUAL PROPERTY AND CONFIDENTIAL INFORMATION

Patents, Copyrights, and Trademarks

Protection of Emisphere's intellectual property—including its patents, copyrights, trademarks, scientific and technical knowledge, know-how, and the experience developed in the course of Emisphere's activities—is essential to maintaining Emisphere's competitive advantage.

Confidential Information

All information about Emisphere and its business which is not generally known to the public is confidential and is not to be disclosed to anyone outside the Company without proper authorization as stated below. Such information is to be disclosed within the Company on a "need to know" basis, that is, with employees of the Company who need to know the information in order to perform their jobs. Employees are prohibited from attempting to obtain confidential information for which they have not received access authorization. In addition, employees have a responsibility to avoid unnecessary disclosure to anyone outside the Company or within the Company of non-confidential internal information about the Company, its partners, and its suppliers. These restrictions on disclosure are not intended to impede normal business communications and relationships, but are intended to safeguard internal Company affairs.

All employees are required to sign an Employee Confidentiality Agreement.

Intellectual Property Counsel is responsible for coordinating the security and control of Company information and for approving any exceptions to this guideline. Supervisors are responsible for identifying information that should be classified as confidential and should then work closely with Intellectual Property Counsel to develop procedures to secure and control the information. Once information has been designated as confidential, it should be clearly identified as such and properly secured.

Dealings with the Press and Other Outside Entities

It is Company policy to disclose material information concerning Emisphere to the public only through specific limited channels to avoid inappropriate publicity and to ensure that all those with an interest in the Company will have access to information. If someone outside Emisphere, such as the news media or a securities analyst or investor, asks you questions, either directly or through another, do not attempt to provide an answer. Obtain the name of the person making the inquiry and immediately notify the Investor Relations Department. All inquiries or calls from the press and financial analysts should be referred to Investor Relations. The Company has designated the Investor Relations Department as official spokespersons for marketing, technical and other related information. Unless a specific exception has been made by the CEO, Company officers or the Investor Relations Department are the designated spokespersons who may communicate with the press on behalf of Emisphere.

All press releases or other official declarations must be approved in advance by an officer of the Company. No employees, unless specifically designated by an officer of the Company, are authorized to make those statements.

All inquiries seeking information concerning current or former employees should be referred to the Human Resources Department.

Electronic and Telephonic Communications Systems

The computer/communications systems and equipment (including desktops, servers, laptops, printers, internet access, email, voice mail, telephone and facsimile, hereinafter collectively referred to as "Systems") are the property of the Company and its subsidiaries and should be used for business related communications activities. Non-business related email communication, such as notices of non-Company sponsored events, which are sent to one or more employees must be reviewed by the IT Manager prior to distribution. A disclaimer should be attached to such non-business related emails which states: "please understand that this activity is not being sponsored, supported or endorsed by Emisphere. If you choose to participate in it, you do so as a matter of personal choice."

The Company has the right to, and may monitor all Systems usage. This includes but is not limited to email, Internet usage, voicemail, and data storage. Employees should refrain from storing any data or transmitting any email or voicemail messages which contain personal, private or non-business correspondence or from internet usage not reasonably related to work at the Company. Incidental and occasional personal use of Systems is permitted to the extent it does not interfere with the performance of job responsibilities. However, such usage is subject to the same conditions as business use of Systems. No material can be posted on the company's bulletin boards without advanced approval from the IT Manager. No employee may use the bulletin boards to solicit other employees (see Employee Handbook under solicitations section 7.3).

Additional Systems related policies are as follows:

1. Any use of Emisphere's name or service marks other than in the performance of an employee's duties on behalf of the Company is prohibited, unless approved in advance by Emisphere's management.
2. No media advertisement, Internet home page, electronic bulletin board posting, broadcast electronic mail message or voice mail message, or any other public discrimination about Emisphere or on behalf of Emisphere may be issued unless approved in advance by Senior Management.
3. Under no circumstances should information of a confidential, competitively sensitive or proprietary nature be placed or posted on the Internet or otherwise disclosed to anyone outside Emisphere.
4. The electronic mail system is not to be used in ways that are disruptive or offensive to others, or in ways inconsistent with the professional image of Emisphere.
5. Display or transmission of sexually explicit images, messages, cartoons or any communication that can be construed as harassment or disparagement of others based on their race, ethnicity, sex, age, disability, or other protected class is prohibited.

6. Any use of the System to solicit outside employment, free-lance or other work activity, to leak confidential, competitively sensitive or proprietary information, or for any other inappropriate purpose is prohibited.
7. All postings placed on the Internet must reflect and adhere to all of Emisphere's standards and policies.
8. The Systems should not be used to solicit or address others regarding religious or political causes, or for any other solicitations that are not work related, except as approved by management.

All users are personally accountable for messages that they originate or forward using the Systems. Misrepresenting, obscuring, suppressing, or replacing a user's identity on a System is prohibited. Constructing electronic communications so it appears to be from someone else, is prohibited. The user name, electronic mail address, organizational affiliation, time and date of transmission, and related information included with electronic messages or postings must always reflect the true originator, time, date, and place of origination of the messages or postings, as well as the true content of the original message.

You may not, while acting on behalf of Emisphere or while using its computing or communications equipment or facilities, either: (a) access the internal computer system (also known as "hacking") or other resource of another entity without express written authorization from the entity responsible for operating that resource; or (b) commit any unlawful or illegal act, including harassment, libel, fraud, sending of unsolicited bulk email (also known as "spam").

If you receive authorization to access another entity's internal computer system or other resource, you should make a permanent record of that authorization so that it may be retrieved for future reference, and you may not exceed the scope of that authorization.

Unsolicited bulk email is regulated by law in a number of jurisdictions. If you intend to send unsolicited bulk email to persons outside of Emisphere either while acting on our behalf or using our computing or communications equipment or facilities, you should contact your supervisor or Senior Management for approval.

All data residing on or transmitted through our computing and communications facilities, including email and word processing documents, is subject to inspection, retention and review by Emisphere in accordance with Law.

BUSINESS PRACTICES

The Company's Business Records

The integrity of the Company's records and public disclosure depends on the validity, accuracy and completeness of the information supporting the entries to our books of account. Therefore, our corporate and business records should be completed accurately and honestly. The making of false or misleading entries, whether they relate to financial results or test results, is strictly prohibited. These records serve as a basis for managing our business and are important in meeting our obligations to shareholders, customers, suppliers, creditors, employees and others with whom we do business. As a result, it is important that the books, records, and accounts accurately and fairly reflect, in reasonable detail, the Company's assets, liabilities, revenues, costs and expenses, as well as all transactions and changes in assets and liabilities.

The Company requires that:

- No entry be made in the books and records that intentionally hides or disguises the nature of any transaction or of any liabilities, or misclassifies any transactions as to accounts or accounting periods
- Transactions be supported by appropriate documentation
- The terms of sales and other commercial transactions be reflected accurately in the documentation for those transactions and all such documentation be reflected accurately in our books and records
- Employees comply with the system of internal controls
- No cash or other assets are maintained for any purpose in any unrecorded or “off-the-books” fund

Emisphere’s accounting records are relied upon to produce reports for our management, stockholders and creditors, as well as for governmental agencies. In particular, the Company relies upon accounting and other business and corporate records in preparing the periodic and current reports that are filed with the SEC. These reports must provide full, fair, accurate, timely and understandable disclosure and fairly present the financial condition and results of operations. Employees who collect, provide or analyze information for or otherwise contribute in any way in preparing or verifying these reports should strive to ensure that financial disclosure is accurate and transparent and that reports contain all of the information about Emisphere that would be important to enable stockholders and potential investors to assess the soundness and risks of its business and finances and the quality and integrity of its accounting and disclosures. In addition:

- No employee may take or authorize any action that would cause the financial records or financial disclosure to fail to comply with generally accepted accounting principles, the rules and regulations of the SEC or other Laws
- All employees must cooperate fully with the Finance & Accounting Department, as well as the Company’s independent public accountants and counsel, respond to their questions with candor and provide them with complete and accurate information to help ensure that the books and records, as well as reports filed with the SEC, are accurate and complete
- No employee should knowingly make (or cause or encourage any other person to make) any false or misleading statement in any of our reports filed with the SEC or knowingly omit (or cause or encourage any other person to omit) any information necessary to make the disclosure in any reports accurate in all material respects
- No employee may alter or destroy any records with the intent to obstruct any investigation or proceeding

Any employee who becomes aware of any departure from these standards has a responsibility to report his or her knowledge promptly to his or her supervisor, the DCP, or the head of Finance & Accounting.

Financial Practices

The Finance & Accounting Department bears a special responsibility for promoting integrity throughout the organization. The Chief Executive Officer, the Chief Financial Officer and other Finance & Accounting Department personnel have a special role both to adhere to these principles themselves and also to ensure that a culture exists throughout the Company as a whole that ensures the fair and timely reporting of Emisphere's financial results and condition.

Because of this special role, the Chief Executive Officer, the Chief Financial Officer and all other members of Emisphere's Finance & Accounting Department are bound by the following Financial Officer Code of Ethics, and by accepting the Code, each agrees that he or she will:

- Act with honesty and integrity, avoiding actual or apparent conflicts of interest in personal and professional relationships
- Provide information that is accurate, complete, objective, relevant, timely and understandable to ensure full, fair, accurate, timely, and understandable disclosure in reports and documents that Emisphere files with, or submits to, government agencies and in other public communications
- Comply with rules and regulations of federal, state and local governments, and other appropriate private and public regulatory agencies
- Act in good faith, responsibly, with due care, competence and diligence, without misrepresenting material facts or allowing one's independent judgment to be subordinated
- Respect the confidentiality of information acquired in the course of one's work except when authorized or otherwise legally obligated to disclose such information. Confidential information acquired in the course of one's work may not be used for personal advantage
- Share knowledge and maintain skills important and relevant to the responsibilities set out in this Code
- Proactively promote and be an example of ethical behavior as a responsible partner among peers, in the work environment and the community
- Achieve responsible use of and control over all assets and resources employed or entrusted
- Promptly report to the DPC or the Audit Committee any conduct that the individual believes to be a violation of law or business ethics or of any provision of this Code

Quality and Productivity

Emisphere is committed to developing and offering the highest quality products. Equally important is the commitment to productivity. In order to maintain competitiveness, Emisphere must ensure that its work processes in all facets of its business, are efficient and continually improving. All employees should strive for a work environment that produces new ideas and fosters teamwork throughout the Emisphere organization.

Regulatory Compliance

It is Emisphere's policy to conduct its business in compliance with all applicable federal, state and local laws and regulations, including all requirements of the U.S. Food and Drug Administration. Among these are requirements regarding reporting of all adverse drug experiences, regardless of where the events occur, and filing mandated reports related to them in a timely and accurate manner. Emisphere discourages conducting assessments of the clinical pharmacology and/or safety of drug substances or drug products, including Emisphere carriers, which is outside the scope of an approved clinical protocol.

Product Experience Disclosure

As Emisphere may manufacture pharmaceuticals, it has an obligation to keep the medical profession fully informed of the uses, safety, contra indications and side effects of its products, and where appropriate, of their operational requirements and characteristics. This policy is implemented by the use of package inserts, mailings to physicians and other health care professionals, the dissemination of other educational or promotional materials, as well as through oral presentations by Company personnel. Emisphere follows the rule that the essential information given must comply with the local requirements of good medical practice and government regulation.

Environment

Federal law generally prohibits contamination of the environment with any hazardous substance that could cause injury to the community or environment. Violation of environmental Laws can be a criminal offense and can involve monetary fines and imprisonment. Accordingly, it is Emisphere's policy that all employees comply with all applicable environmental Laws.

Consistent with Emisphere's role as a healthcare Company, Emisphere has long considered effective management of the natural and workplace environment to be one of its highest priorities. It is Company policy to conduct its business in an environmentally responsible way that minimizes adverse environmental impact; to seek continuous improvement in environmental performance; to maintain safe and environmentally sound operations; to integrate environmental considerations into research and product development activities; and to contribute the protection of the environment.

Emisphere is committed to:

- Minimizing and, if possible, eliminating the use of any substance or material that may cause environmental damage
- Reducing waste generation
- Disposal of all waste through safe and responsible methods
- Minimizing environmental risks by employing safe technologies and operating procedures
- Being prepared to respond appropriately to accidents and emergencies

Methods of Competition

Emisphere strives to outperform competition fairly and honestly. Advantages over competitors are to be obtained through superior performance of our products and services, not through unethical or illegal business practices. Under the Federal Trade Commission Act, “unfair methods of competition in commerce, and unfair or deceptive acts or practices in commerce, are declared unlawful.” The prohibition broadly covers misrepresentation, deception, unfair or unethical behavior, unfair disparagement of a competitor’s products, and stealing trade secrets or customer lists, which are made in connection with sales, advertising or other business practices. Acquiring proprietary information from others through improper means, possessing trade secret information that was improperly obtained, or inducing improper disclosure of confidential information from past or present employees of other companies is prohibited, even if motivated by an intention to advance our interests. If information is obtained mistakenly that may constitute a trade secret or other confidential information of another business, or if you have any questions about the legality of proposed information gathering, please consult your supervisor, in-house legal counsel or the Chief Financial Officer.

You are expected to deal fairly with customers, suppliers, employees and anyone else with whom you have contact in the course of performing your job. No employee may take unfair advantage of anyone through misuse of confidential information, misrepresentation of material facts or any other unfair dealing practice.

Employees involved in procurement have a special responsibility to adhere to principles of fair competition in the purchase of products and services by selecting suppliers based exclusively on normal commercial considerations, such as quality, cost, availability, service and reputation, and not on the receipt of special favors.

Bribery

Emisphere expects its employees not to make or accept any bribe while conducting business activities. Emisphere prohibits any employee, consultant, middleman or other agent acting on such individual’s behalf or on behalf of Emisphere from directly or indirectly engaging in commercial bribery. “Commercial bribery” deals with furnishing something of value to an agent, without the knowledge of the agent’s principal, with the intent that the agent will influence the principal’s commercial conduct. Engaging in commercial bribery is unlawful under federal and state statutes.

DEALINGS WITH GOVERNMENTS

Corporate Contributions

Emisphere is prohibited by law from contributing to candidates for federal office. However, employees of Emisphere may contribute to candidates or otherwise take part in the political process.

Government Requests for Information

It is the policy of Emisphere to cooperate with the departments or agencies of federal, state and municipal governments desiring information with respect to the operations of Emisphere, in connection with governmental investigations. It is the responsibility of management to represent Emisphere in all such contacts with government representatives and to determine what information

is appropriate to supply to investigators. Should Emisphere direct you to cooperate with any government agency and should you refuse to do so, you may be subject to disciplinary action up to and including termination. If any governmental representative contacts you with a regard to an investigation of Emisphere, you should direct them to senior management.

ENFORCEMENT

This Code of Conduct and our Employee Manual set forth practices to which Emisphere employees are expected to adhere. Employees may be subject to discipline, up to and including termination, for violation of these practices.

HELP IS AVAILABLE FOR MAINTAINING EMISPHERE'S STANDARDS

Emisphere's policies and practices are based heavily on trust and respect for the individual. Emisphere employees have a responsibility to protect and sustain its reputation as an ethical Company. Continued honesty and integrity are vitally important. Ethical business conduct depends upon the cooperation and full support of each of us.

If you are unsure of what to do in any situation, please seek guidance from your supervisor, executive management, Human Resources or in-house legal counsel.