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**CODE OF BUSINESS CONDUCT AND ETHICS**

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## LETTER FROM THE CHIEF EXECUTIVE OFFICER

August 2010

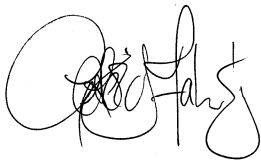
To all Directors, Officers and Employees of Eurand N.V. and its subsidiaries:

Eurand N.V. and its affiliates (the “Company”) are dedicated to conducting their business in compliance with all applicable laws, rules and regulations. Our directors, officers and employees are expected to perform to the highest standards of ethical conduct consistent with legal and regulatory requirements. We have an obligation to our employees, shareholders, customers, suppliers, community representatives, patients, and other business contacts to be honest, fair and forthright in all of our business activities.

As a director, officer or employee of the Company, you are faced every day with a number of business decisions. It is your personal responsibility to uphold the Company’s high standards of business ethics in each and every one of these situations. It is not possible for our Code of Business Conduct and Ethics (the “Code”) to address every situation that you may face, but it may provide guidance as to how to fulfill your obligations, how to seek advice and resolve questions about the appropriateness of conduct and how to report possible violations of the Company’s legal obligations or ethical principles. Keep in mind that there may be more explicit local policies that will supplement the general policies outlined in this document. Finally, remember that the Code is a living document and will be updated from time to time to meet the Company’s changing needs.

We encourage you to take this opportunity to review our policies and to discuss any questions you may have with your supervisor or with the Company’s Chief Legal Officer. The guidelines set out in this Code are to be followed at all levels of this organization by our directors, officers and employees. We rely on you to help us uphold our core values and conduct our business honestly, fairly and with integrity.

Sincerely,



Gearóid Faherty  
Chief Executive Officer

## **INTRODUCTION**

### **Purpose**

This Code of Business Conduct and Ethics (the “Code”) is a guide to Company policies and legal requirements that govern how we conduct the business of the Company consistent with the highest standards of business ethics. The Code does not detail every law, regulation or Company policy that may apply to you. Detailed policies and procedures are available on the Company’s intranet, website and in your employee handbook. To the extent this Code requires a higher standard than required by commercial practice or applicable laws, rules or regulations, we adhere to these higher standards.

This Code applies to all directors, officers and employees of the Company and its subsidiaries (which, unless the context otherwise requires, are collectively referred to as the “Company” in this Code). We refer to all persons covered by this Code as “Company employees” or simply “employees.” We also refer to our Chief Executive Officer, our Chief Financial Officer and our principal accounting officers and controllers as our “principal financial officers.”

### **Seeking Help and Information**

This Code is not intended to be a comprehensive rulebook and cannot address every situation that you may face. If you feel uncomfortable about a situation or have any doubts about whether it is consistent with the Company’s policies and procedure, seek help. We encourage you to contact your supervisor for help first. If your supervisor cannot answer your question or if you do not feel comfortable contacting your supervisor, contact the General Counsel. You may also seek help from or submit information to the Company by writing to the Company at the email address “[whistleblower.eurand@atcgroup.com](mailto:whistleblower.eurand@atcgroup.com).” The Company may also establish other procedures for employees to seek help, including the use of an internal or third-party hotline service, and will inform employees of such alternatives as they become available. You may elect to remain anonymous and will not be required to reveal your identity in your communication to the Company.

### **Reporting Violations of the Code**

All employees have a duty to report any known or suspected violation of this Code, including any violation of any applicable laws, rules, or regulations. If you know of or suspect a violation of this Code, immediately report the conduct to your supervisor. Your supervisor will contact the General Counsel, who will work with you and your supervisor to investigate your concern. If you do not feel comfortable reporting the conduct to your supervisor or you do not get a satisfactory response, you may contact the General Counsel directly. You may also report known or suspected violations of the Code to the Company at the email address “[whistleblower.eurand@atcgroup.com](mailto:whistleblower.eurand@atcgroup.com).” Employees submitting this information need not leave their name or other personal information and reasonable efforts will be used to conduct the investigation that follows from the report from an employee in a manner that protects the confidentiality and anonymity of the employee submitting the report.

All reports of known or suspected violations of the law or this Code will be handled sensitively and with discretion. Your supervisor, the General Counsel and the Company will protect your confidentiality to the extent possible, consistent with law and the Company’s need to investigate your concern.

It is Company policy that any employee who violates this Code will be subject to appropriate discipline, which may include termination of employment. This determination will be based upon the facts and circumstances of each particular situation, and shall be subject to the provisions of applicable law, rules and regulations of the jurisdiction relevant to an employee. An employee accused of violating this Code will be given an opportunity to present his or her version of the events at issue prior to any determination of appropriate discipline. Employees who violate the law or this Code may expose themselves to substantial civil damages, criminal fines and prison terms. The Company may also face substantial fines and penalties and may incur damage to its reputation and standing in the community. Your conduct as a representative of the Company, if it does not comply with the law or with this Code, can result in serious consequences for both you and the Company.

In addition, the Company's Audit Committee has adopted specific "whistleblowing" policies and procedures relating to the complaint and investigation procedures for accounting, internal accounting controls, fraud, accounting, or healthcare compliance matters. These policies and procedures are available on the Company's internet website at [www.eurand.com](http://www.eurand.com).

### **Policy Against Retaliation**

The Company prohibits retaliation against an employee who, in good faith, seeks help or reports known or suspected violations. Any reprisal or retaliation against an employee because the employee, in good faith, sought help or filed a report will be subject to disciplinary action, including potential termination of employment. Please see the Whistleblowing Policy for additional details.

### **Waivers of the Code**

Waivers of this Code for employees may be made only by an executive officer of the Company. Any waiver of this Code for the actions of our directors, executive officers or other principal financial officers may be made only by our Board of Directors, or a committee thereof, and will be disclosed to the public as required by law or applicable rules and regulations.

## **CONFLICTS OF INTEREST**

### **Identifying Potential Conflicts of Interest**

A conflict of interest can occur when an employee's private interest interferes, or appears to interfere, with the interests of the Company. You should avoid any private interest that influences or appears to influence your ability to act in the interests of the Company or that makes it difficult to perform your work objectively and effectively.

Identifying potential conflicts of interest may not always be clear-cut. The following is not intended to be a comprehensive list, but rather are basic tenets that would raise the specter of a conflict of interest:

- Outside Employment. Company employees have a primary business responsibility to the Company and should avoid any activity that may interfere, or have the appearance of interfering, with this responsibility. No employee should be employed by, serve as a director of, or provide any

services to a company that is a material customer, supplier or competitor of the Company, as defined below.

- Improper Personal Benefits. No employee should obtain any material (as to him or her) personal benefits or favors because of his or her position with the Company. Please see “Gifts and Entertainment” below for additional guidance in this area.
- Financial Interests. No employee should have a significant financial interest (ownership or otherwise) in any company that is a material customer, supplier or competitor of the Company. A “significant financial interest” means (i) ownership of greater than 1% of the equity of a material customer, supplier or competitor or (ii) an investment in a material customer, supplier or competitor that represents more than 5% of the total assets of the employee.
- Loans or Other Financial Transactions. No employee should obtain loans or guarantees of personal obligations from, or enter into any other personal financial transaction with, any company that is a material customer, supplier or competitor of the Company. This guideline does not prohibit arms-length transactions with banks, brokerage firms or other financial institutions.
- Service on Boards and Committees. No employee should serve on a scientific or business advisory board, board of directors or trustees or on a committee of any entity (whether profit or not-for-profit) whose interests reasonably would be expected to conflict with those of the Company or otherwise provide advice on a continuing basis for such entity, unless they have prior written permission from Company management.
- Lectures and Presentations. Employees may not give or participate in any speaking engagement outside of the Company on any subject that relates to the Company’s business or their work for the Company without the prior approval of their supervisors. Employees may not submit articles for publication that contain information involving the Company without prior approval of their supervisors. It is the supervisor’s responsibility to obtain clearance from (senior) management as appropriate.
- Actions of Family Members. The actions of family members outside the workplace may also give rise to the conflicts of interest described above because they may influence an employee’s objectivity in making decisions on behalf of the Company. For purposes of this Code, “family members” include your spouse or life-partner, brothers, sisters and parents, in-laws and children whether such relationships are by blood or adoption.

For purposes of this Code, a company is a “material” customer if the company has made payments to the Company in the past year in excess of US\$1,000,000 or 2% of the customer’s gross revenues, whichever is greater. A company is a “material” supplier if the company has received payments from the Company in the past year in excess of US\$1,000,000 or 2% of the supplier’s gross revenues, whichever is greater. A company is a “material” competitor if the company competes in the Company’s line of business and has

annual gross revenues from such line of business in excess of US\$1,000,000. If you are uncertain whether a particular company is a material customer, supplier or competitor, please contact the General Counsel for assistance.

Guidance on conflicts of interest for directors is also set forth in the Rules for the Board of Directors.

### **Disclosure of Conflicts of Interest**

The Company requires that employees disclose any situations that reasonably would be expected to give rise to a conflict of interest. If you suspect that you have a conflict of interest, or something that others could reasonably perceive as a conflict of interest, you must report it to your supervisor or the General Counsel. Your supervisor and the General Counsel will work with you to determine whether you have a conflict of interest and, if so, how best to address it. Although conflicts of interest are not automatically prohibited, they are not desirable and may only be waived as described in “Waivers of the Code” above.

### **CORPORATE OPPORTUNITIES**

As an employee of the Company, you have an obligation to advance the Company’s interests when the opportunity to do so arises. If you discover or are presented with a business opportunity through the use of corporate property, information or because of your position with the Company, you should first present the business opportunity to the Company before pursuing the opportunity in your individual capacity. No employee may use corporate property, information or his or her position with the Company for personal gain and no employee should compete with the Company.

You should disclose to your supervisor the terms and conditions of each business opportunity covered by this Code that you wish to pursue. Your supervisor will contact the General Counsel and the appropriate management personnel to determine whether the Company wishes to pursue the business opportunity. If the Company waives its right to pursue the business opportunity, you may pursue the business opportunity on the same terms and conditions as originally proposed and consistent with the other ethical guidelines set forth in this Code.

### **CONFIDENTIAL INFORMATION**

Employees have access to a variety of confidential information while employed at the Company. Confidential information includes all information that is internally generated by the Company concerning the business of the Company. It may also include information obtained from sources outside the Company, including information about other companies or their securities or even information regarding the Company’s partners, customers or suppliers. Confidential information includes all non-public information that might be of use to competitors, or, if disclosed, harmful to the Company or its customers.

The following types of information and documents are examples of information considered highly confidential and should be safeguarded to ensure access is only provided for authorized business use (Note that this is not intended to be an exhaustive list):

- Proposed trademarks
- Scientific data
- Commercial relationships
- Contracts
- Customers
- Inventions
- Patent applications
- Audit reports
- Non-public financial information
- Business and scientific reports
- Memorandum, correspondence and internal records of the organization
- Research ideas or experimental designs
- Clinical trial information
- Business strategy and plans
- Collaborations with other companies and the information learned through these relationships
- All personnel information, including names, addresses, home telephone numbers, payroll records, number of stock options held, benefit plans and medical records, unless such disclosure is required by law.

Employees have a duty to safeguard all confidential information of the Company or third parties with which the Company conducts business, except under controlled circumstances with prior management approval. An employee's obligation to protect confidential information continues after her or she leaves the Company. Unauthorized disclosure of confidential information could cause competitive harm to the Company or its customers and could result in legal liability to you and the Company.

Employees should not discuss confidential information with anyone outside the Company except under controlled circumstances with prior management approval. Any questions or concerns regarding whether disclosure of Company information is legally mandated should be promptly referred to the General Counsel.

### **Safeguarding Confidential Information**

Care must be taken to safeguard confidential information. Accordingly, the following measures should be adhered to:

- The Company's employees should conduct their business and social activities so as not to risk inadvertent disclosure of confidential information. For example, when not in use, confidential information should be secretly stored. Also, review of confidential documents or discussion of confidential subjects

in public places (e.g., airplanes, trains, taxis, etc.) should be conducted so as to prevent overhearing or other access by unauthorized persons.

- Within the Company's offices, confidential matters should not be discussed within hearing range of visitors or others not working on such matters.
- Confidential matters should not be discussed with other employees not working on such matters or with friends or relatives including those living in the same household as a Company employee.
- Any consultants or experts who are used to facilitate review of business transactions or assist the organization in its business activities should be subject to confidentiality agreement before any exchange of information takes place. Furthermore, employees should limit the disclosure of information to these entities to only that which is within the scope of the confidentiality agreement and only to the extent needed to complete their particular task.

## **COMPETITION AND FAIR DEALING**

All employees are obligated to deal fairly with fellow employees and with the Company's customers, suppliers, competitors and other third parties. Employees should not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation or any other unfair-dealing practice.

### **Relationships with Customers**

Our business success depends upon our ability to foster lasting customer relationships. The Company is committed to dealing with customers fairly, honestly and with integrity. Specifically, you should keep the following guidelines in mind when dealing with customers:

- Information we supply to customers should be accurate and complete to the best of our knowledge. Employees should not deliberately misrepresent information to customers.
- Employees should not refuse to sell, service, or maintain products the Company has produced simply because a customer is buying products from another supplier.
- Customer entertainment should not exceed reasonable and customary business practice. Employees should not provide entertainment or other benefits that could be viewed as an inducement to or a reward for, customer purchase decisions. Please see "Gifts and Entertainment" below for additional guidelines in this area.

### **Relationships with Suppliers**

The Company deals fairly and honestly with its suppliers. This means that our relationships with suppliers are based on price, quality, service and reputation, among other factors. Employees dealing with suppliers should carefully guard their objectivity. Specifically, no employee should accept or solicit any personal benefit from a supplier or potential supplier that might compromise, or appear to compromise, their objective

assessment of the supplier's products and prices. Employees can give or accept promotional items of nominal value or moderately scaled entertainment within the limits of responsible and customary business practice. Please see "Gifts and Entertainment" below for additional guidelines in this area.

### **Relationships with Competitors**

The Company is committed to free and open competition in the marketplace. Employees should avoid actions that would be contrary to laws governing competitive practices in the marketplace, including U.S. federal and state antitrust laws and other applicable laws of other jurisdictions. Such actions include misappropriation and/or misuse of a competitor's confidential information or making false statements about the competitor's business and business practices.

### **PROTECTION AND USE OF COMPANY ASSETS**

Employees should protect the Company's assets and ensure their efficient use for legitimate business purposes only. Theft, carelessness and waste have a direct impact on the Company's profitability. The use of Company funds or assets, whether or not for personal gain, for any unlawful or improper purpose is prohibited.

To ensure the protection and proper use of the Company's assets, each employee should:

- Exercise reasonable care to prevent theft, damage or misuse of Company property.
- Report the actual or suspected theft, damage or misuse of Company property to a supervisor.
- Use the Company's telephone system, other electronic communication services, written materials and other property primarily for business-related purposes.
- Safeguard all electronic programs, data, communications and written materials from inadvertent access by others.
- Use Company property only for legitimate business purposes, as authorized in connection with your job responsibilities.

Employees should be aware that Company property includes, in addition to all written communications, all data and communications transmitted or received to or by, or contained in, the Company's electronic or telephonic systems. Employees and other users of this property should have no expectation of privacy with respect to these communications and data. To the extent permitted by law, the Company has the ability, and reserves the right, to monitor all electronic and telephonic communication. These communications may also be subject to disclosure to law enforcement or government officials.

## GIFTS AND ENTERTAINMENT

The giving and receiving of gifts is a common business practice. Appropriate business gifts and entertainment can be welcome courtesies designed to build relationships and understanding among business partners. However, gifts and entertainment should not compromise, or appear to compromise, your ability to make objective and fair business decisions. For gifts, meals and entertainment involving healthcare professionals, please refer to the Gifts, Meals and Entertainment Policy.

It is your responsibility to use good judgment in this area. As a general rule, you may give or receive gifts or entertainment to or from customers or suppliers only if the gift or entertainment is of nominal value, would not be viewed as an inducement to or reward for any particular business decision, and would not cause the Company embarrassment or adverse publicity. Certain employees may be subject to additional policies and SOPs pertaining to these issues. All gifts and entertainment expenses should be properly accounted for on expense reports. The following specific examples may be helpful:

- Meals and Entertainment. You may occasionally accept or give meals, refreshments or other if:
  - The items are of reasonable value;
  - The purpose of the meeting or attendance at the event is business related; and
  - The expenses would be paid by the Company as a reasonable business expense if not paid for by another party.

Entertainment of reasonable value may include food and tickets for sporting and cultural events if they are generally offered to other customers, suppliers or vendors.

- Advertising and Promotional Materials. You may occasionally accept advertising or promotional materials of nominal value.
- Personal Gifts. You may accept or give personal gifts of reasonable value that are related to recognized special occasions such as a graduation, promotion, new job, wedding, retirement or a public holiday. A gift is also acceptable if it is based on a family or personal relationship and unrelated to the business involved between the individuals.
- Gifts Rewarding Service or Accomplishment. You may accept a gift from a civic, charitable or religious organization specifically related to your service or accomplishment.
- Cash and Cash Equivalents. It is never acceptable to give or accept a gift in cash, credit or the equivalent.

You must also be particularly careful that gifts and entertainment are not construed as bribes, kickbacks or other improper payments under the specific laws of the jurisdictions of the countries in which you conduct business. Please see “Compliance with Laws and Regulations” below for additional guidance in this area.

You should make every effort to refuse or return a gift that is beyond these permissible guidelines. If it would be inappropriate to refuse a gift or you are unable to return a gift, you should promptly report the gift to your supervisor. Your supervisor will bring the gift to the attention of the General Counsel, which may require you to donate the gift to an appropriate community organization. If you have any questions about whether it is permissible to accept a gift or something else of value, contact your supervisor or the General Counsel for additional guidance.

## **COMPANY RECORDS**

Accurate and reliable records are important to our business. Our records are the basis of our earnings statements, financial reports and other disclosures to the public and guide our business decision-making and strategic planning. Company records include booking information, payroll, timecards, travel and expense reports, e-mails, accounting and financial data, measurement and performance records, electronic data files and all other records maintained in the ordinary course of our business.

All Company records must not be misleading and must be complete, accurate and reliable in all material respects. Undisclosed or unrecorded funds, payments or receipts are inconsistent with our business practices and are prohibited. You are responsible for understanding and complying with our record keeping policy. Please ask your supervisor if you have any questions.

All Company records must be stored in a safe and secure location for the period of time required by law or Company policy. Old or unneeded records will be disposed of securely and in accordance with applicable document retention schedules or legal statutes.

Certain laws and regulations govern the proper retention of many categories of records and documents that are commonly maintained by companies. Any record, in paper or electronic format, relevant to a threatened, anticipated or actual internal or external inquiry, investigation, matter or lawsuit may not be discarded, concealed, falsified, altered, or otherwise made unavailable, once an employee has become aware of the existence of such threatened, anticipated or actual internal or external inquiry, investigation, matter or lawsuit. When in doubt regarding retention of any record, an employee must not discard or alter the record in question and should seek guidance from the General Counsel.

## **ACCURACY OF FINANCIAL REPORTS AND OTHER PUBLIC COMMUNICATIONS**

As a public company we are subject to various securities laws, regulations and reporting obligations. Both federal law and our policies require the disclosure of accurate and complete information regarding the Company’s business, financial condition and results of operations. Inaccurate, incomplete or untimely reporting by the Company or the assistance by the Company in inaccurate, incomplete or untimely reporting by a person outside the Company will not be tolerated and can severely damage the Company and result in legal liability.

The Company's principal financial officers and other employees working in the finance and accounting departments have a special responsibility to ensure that all of our financial disclosures are full, fair, accurate, timely and understandable. These employees must understand and strictly comply with generally accepted accounting principles and all standards, laws and regulations for accounting and financial reporting of transactions, estimates and forecasts.

In addition, U.S. federal securities law requires the Company to maintain proper internal books and records and to devise and maintain an adequate system of internal accounting controls. The Securities and Exchange Commission ("SEC") has supplemented the statutory requirements by adopting rules that prohibit (1) any person from falsifying or assisting another person, whether within or outside the Company, in falsifying records or accounts subject to the above requirements and (2) officers or directors from making any materially false, misleading, or incomplete statement to an accountant in connection with an audit or any filing with the SEC. These provisions reflect the SEC's intent to discourage officers, directors, and other persons with access to the Company's books and records from taking action that might result in the communication of materially misleading financial information to the investing public.

## **COMPLIANCE WITH LAWS AND REGULATIONS**

Each employee has an obligation to comply with all laws, rules and regulations applicable to the Company's operations. These include, without limitation, laws covering bribery and kickbacks, copyrights, trademarks and trade secrets, information privacy, insider trading, illegal political contributions, antitrust prohibitions, foreign corrupt practices, offering or receiving gratuities, environmental hazards, employment discrimination or harassment, occupational health and safety, false or misleading financial information or misuse of corporate assets. You are expected to understand and comply with all laws, rules and regulations that apply to your job position. If any doubt exists about whether a course of action is lawful, you should seek advice from your supervisor or the General Counsel.

### **Healthcare and Pharmaceutical Laws**

As a pharmaceutical and medical manufacturer, the Company conducts a wide array of activities in the healthcare marketplace, including research, medical and other education, marketing, and sales. Each of these activities is subject to numerous legal and ethical standards, many of which are unique to the healthcare industry. Potentially applicable laws include the Federal Food, Drug, and Cosmetic Act and FDA regulations, the anti-kickback provisions of the federal Social Security Act and Department of Health and Human Services Office of the Inspector General ("OIG") regulations, the federal False Claims Act, and comparable state laws. The Company is committed to complying with all applicable laws and regulations and adhering to the highest ethical standards in its marketing, promotional, educational, and research activities.

It is the Company's policy that the marketing of its products be evidence-based and aimed at enhancing the practice of medicine and appropriate patient care. Interactions with healthcare professionals and other customers must focus on (1) providing current, accurate, and balanced information about Company products, and (2) transmitting sound scientific and educational information. In no case shall the Company's employees offer or pay anything of value to a healthcare professional, or other person or entity in a position to influence

prescribing, in order to induce them to purchase, prescribe, use, recommend, or dispense a Company product.

The Company operates in a highly competitive market environment. Competitors may choose to compete in ways that are not consistent with these policies. However, business pressures or competitive activities are not an acceptable reason for failure to comply with Company policies.

Company employees should ensure they are familiar with and adhere to applicable Company policies for particular marketing, sales, educational, and research activities (including, for example, product promotion, research and independent medical education grants, and physician consulting and service agreements). In light of the broad scope of the promotional, educational, and research activities conducted by the Company, some arrangements may not be specifically addressed by Company policies. Employees who are uncertain about how a policy applies to a particular arrangement or who encounter a situation that does not seem to be covered by any policy should discuss the matter with their supervisor or the Legal Department.

#### Antitrust/Competition Laws

Most countries in which the Company does business have laws designed to regulate behavior that unreasonably restrains trade or unduly interferes with the action of the free market. These laws are generally called antitrust or competition laws and they apply to all agreements and relationships between competitors as well as to agreements and relationships with suppliers and customers. Anti-competitive behavior that is illegal under these laws can involve price fixing, kickbacks, rebates, boycotts, predatory pricing, stealing trade secrets, dividing markets, allocating customers, or entering into tying arrangements. It can also include resale price maintenance agreements, price discrimination, joint bidding arrangements, and other agreements that may, in some way, restrain commerce. Antitrust/anticompetition laws are vigorously enforced and include criminal and/or civil penalties.

#### Dealings with Government Officials

All dealings with government officials, including but not limited to, lobbying meetings with governmental agencies, contributions to candidates, communications with public officials, and contracting with government agencies must be done in accordance with all applicable laws, rules and regulations. No employee may offer or promise a payment or reward of any kind, directly or indirectly to any governmental official on any level in order to secure preferential treatment for the Company or any of its employees.

In their interactions with the government, Company personnel should:

- Be forthright and candid at all times. No employee or director should intentionally misstate or omit any material information from any written or oral communication with the government;
- Ensure that all required written submissions are made to the government and are timely, and that all written submissions, whether voluntary or required, satisfy applicable laws and regulations; and

- Not exchange any gifts, gratuities or favors with, or pay for meals, entertainment, travel or other similar expenses for government employees, or offer to do so.

Employees whose job responsibilities include interacting with the government are expected to understand and comply with the special laws, rules and regulations that apply to their job position as well as with any applicable standard operating procedures that the Company has implemented. If any doubt exists about whether a course of action is lawful, they should seek advice immediately from a supervisor and the Legal Department.

Company employees with responsibilities in the areas governed by FDA and the Federal Food, Drug, and Cosmetic Act are required to understand and comply with these laws and regulations. These employees are expected to have a thorough understanding of the laws, regulations and other relevant standards applicable to their job positions, and to comply with those requirements. The Company has developed policies and procedures related to compliance with these laws, regulations, and ethical standards and provides regular training to aid employees in understanding and complying with the applicable requirements. If any doubt exists regarding whether a job position or a particular course of action is governed by these laws and regulations, employees should seek advice immediately from their supervisor and the Legal Department.

#### The Foreign Corrupt Practices Act

The Foreign Corrupt Practices Act (“FCPA”) prohibits the Company and its employees, directors, and agents from offering or giving money or any other item of value to win or retain business or to influence any act or decision of any governmental official, political party, candidate for political office or official of a public international organization. Stated more concisely, the FCPA prohibits the payment of bribes, kickback or other inducements to foreign officials. This prohibition also extends to payments to a sales representative or agent if there is reason to believe that the payment will be used indirectly for a prohibited payment to foreign officials. Violation of the FCPA is a crime that can result in severe fines and criminal penalties, as well as disciplinary action by the Company, up to and including termination of employment.

Certain small facilitation or “grease” payments to foreign officials may be permissible under the FCPA if customary in the country or locality and intended to secure routine governmental action. Governmental action is “routine” if it is ordinarily and commonly performed by a foreign official and does not involve the exercise of discretion. For instance, “routine” functions would include setting up a telephone line or expediting a shipment through customs. To ensure legal compliance, all facilitation payments must receive prior written approval from the Legal Department and must be clearly and accurately reported as a business expense.

## COMPLIANCE WITH INSIDER TRADING LAWS

*The Company has an insider trading policy, which may be obtained from the General Counsel. The following is a summary of some of the general principles relevant to insider trading, and should be read in conjunction with the aforementioned specific policy.*

Company employees are prohibited from trading in the shares or other securities of Company while in possession of material, nonpublic information about Company. In addition, Company employees are prohibited from recommending, “tipping” or suggesting that anyone else buy or sell shares or other securities of Company on the basis of material, nonpublic information. Company employees who obtain material nonpublic information about another company in the course of their employment are prohibited from trading in the shares or securities of the other company while in possession of such information or “tipping” others to trade on the basis of such information. Violation of insider trading laws can result in severe fines and criminal penalties, as well as disciplinary action by the Company, up to and including termination of employment.

Information is “non-public” if it has not been made generally available to the public by means of a press release or other means of widespread distribution. Information is “material” if a reasonable investor would consider it important in a decision to buy, hold or sell shares or other securities. As a rule of thumb, any information that would affect the value of shares or other securities should be considered material. Examples of information that is generally considered “material” include:

- Financial results or forecasts, or any information that indicates a company’s financial results may exceed or fall short of forecasts or expectations;
- Important new products or services;
- Pending or contemplated acquisitions or dispositions, including mergers, tender offers or joint venture proposals;
- Possible management changes or changes of control;
- Pending or contemplated public or private sales of debt or equity securities;
- Acquisition or loss of a significant customer or contract;
- Significant write-offs;
- Initiation or settlement of significant litigation; and
- Changes in the Company’s auditors or a notification from its auditors that the Company may no longer rely on the auditor’s report.

Information is “non-public” if it has not been made generally available to the public. Whenever there is any doubt whether information concerning a company is material or non-public, do not trade in the securities of such company.

Questionable trading by members of your immediate family or by members of your personal household can, additionally, be your responsibility and give rise to legal and Company-imposed sanctions.

The laws against insider trading are specific and complex. Any questions about information you may possess or about any dealings you have had in the Company's shares or other securities should be promptly brought to the attention of the General Counsel.

## **PUBLIC COMMUNICATION AND SELECTIVE DISCLOSURE**

### **Public Communications Generally**

The Company places a high value on its credibility and reputation in the community. What is written or said about the Company in the news media and investment community directly impacts our reputation, positively or negatively. Our policy is to provide timely, accurate and complete information in response to public requests (from the media, analysts, etc.), consistent with our obligations to maintain the confidentiality of competitive and proprietary information and to prevent selective disclosure of market-sensitive financial data. To ensure compliance with this policy, all news media or other public requests for information regarding the Company should be directed to the Chief Executive Officer, Chief Financial Officer or persons designated by them (collectively, the "Media Contacts"). The Media Contacts will work with you and the appropriate personnel to evaluate and coordinate a response to the request.

### **Prevention of Selective Disclosure**

Preventing selective disclosure is necessary to comply with United States securities laws and to preserve the reputation and integrity of the Company as well as that of all persons affiliated with it. "Selective disclosure" occurs when any person provides potentially market-moving information to selected persons before the news is available to the investing public generally. Selective disclosure is a crime under United States law and the penalties for violating the law are severe.

The following guidelines have been established to avoid improper selective disclosure. Every officer, director and employee is required to follow these procedures:

- All contact by the Company with investment analysts, the press and/or members of the media shall be made through the Media Contacts.
- Other than the Media Contacts, no officer, director or employee shall provide any information regarding the Company or its business to any investment analyst or member of the press or media.
- All inquiries from third parties, such as industry analysts or members of the media, about the Company or its business should be directed to the Chief Executive Officer, Chief Financial Officer or other appropriate person designated by them. All presentations to the investment community regarding the Company will be made under the direction of a Media Contact.

- Other than the Media Contacts, any officer, director or employee who is asked a question regarding the Company or its business by a member of the press or media shall respond with “No comment” and forward the inquiry to a Media Contact.

These procedures do not apply to the routine process of making previously released information regarding the Company available upon inquiries made by investors, investment analysts and members of the media.

Any inquiry by the SEC or Nasdaq could substantially damage the Company’s reputation. Selective disclosure is currently a topic of intense focus with the SEC following the release of SEC Regulation FD (selective disclosure). Although foreign private issuers such as the Company are exempt from Regulation FD, the Company remains liable for selective disclosure.

Please contact the General Counsel if you have any questions about the scope or application of the Company’s policies regarding selective disclosure.

## **ENVIRONMENT, HEALTH, AND SAFETY**

The Company is committed to providing a safe and healthy working environment for its employees and to avoiding adverse impact and injury to the environment and the communities in which we do business. Company employees and directors must comply with all applicable environmental, health and safety laws, regulations and Company standards. Employees are responsible for understanding and complying with the laws, regulations and policies that are relevant to their job. Failure to comply with environmental, health and safety laws and regulations can result in civil and criminal liability against the employee and the Company, as well as disciplinary action by the Company, up to and including termination of employment. Employees should contact the Legal Department with any questions about the laws, regulations and policies.

### **Environment**

All Company employees and directors should strive to conserve resources and reduce waste and emissions through recycling and other energy conservation measures. Employees have a responsibility to report promptly any known or suspected violations of environmental laws or any events that may result in a discharge or emission of hazardous materials.

### **Health and Safety**

The Company is committed to complying with all relevant health and safety laws, and to conducting business in a manner that protects the safety of its employees. All employees and directors are required to comply with all applicable health and safety laws, regulations and policies relevant to their positions. Employees should immediately report concerns about unsafe conditions or tasks that present a risk of injury, to their supervisor or the Human Resources Department.

## CONCLUSION

This Code of Business Conduct and Ethics is a guide to Company policies and legal requirements that govern how we conduct the business of the Company consistent with the highest standards of business ethics. If you have any questions about the Code, please contact your supervisor or the General Counsel or submit your questions to the email address “whistleblower.eurand@atcgroup.com.” We expect all Company employees, to adhere to the Code.

The sections of this Code of Business Conduct and Ethics titled “Introduction,” “Conflicts of Interest,” “Company Records,” “Accuracy of Financial Reports and Other Public Communications” and “Compliance with Laws and Regulations,” as applied to the Company’s principal financial officers, shall be our “code of ethics” within the meaning of Section 406 of the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder and “code of conduct” in compliance with Section 4350(n) of the NASDAQ rules and Dutch Corporate Best Practices Provision II.1.3.

This Code and the matters contained herein are neither a contract of employment nor a guarantee of continuing Company policy. We reserve the right to amend, supplement or discontinue this Code and the matters addressed herein, without prior notice, at any time.

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A copy of this Code will be made available on the Company’s website at [www.eurand.com](http://www.eurand.com). Copies of the Code are also available in print to any person who otherwise requests a copy. Any person may request such information by writing to: Eurand N.V., Attention: Secretary, Olympic Plaza, Fred. Roeskestraat 123, 1076 EE Amsterdam, The Netherlands. The Company’s Annual Report on Form 20-F will state the foregoing.

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**ACKNOWLEDGEMENT AND CERTIFICATION OF COMPLIANCE**

RETURN BY \_\_\_\_\_, 20\_\_

**TO:** General Counsel

**FROM:** \_\_\_\_\_

**RE:** CODE OF BUSINESS CONDUCT AND ETHICS (Revised August 3, 2010)

I have received, reviewed, and understand the above-referenced Code of Business Ethics and Conduct and hereby agree, as a condition to my present and continued employment at/affiliation with Eurand N.V., to comply fully with the Code of Business Conduct and Ethics.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title