

**VICAL INCORPORATED
CODE OF BUSINESS CONDUCT AND ETHICS**

**Adopted by the Board of Directors on March 5, 2003
and Amended November 19, 2004**

Introduction

We are committed to maintaining the highest standards of business conduct and ethics. This Code of Business Conduct and Ethics (this “*Code*”) reflects the business practices and principles of behavior that support this commitment. We expect every employee, officer and director to read and understand this Code and its application to the performance of his or her business responsibilities. *References in this Code to employees are intended to cover officers and, as applicable, members of the Board of Directors, i.e. “directors.”*

Directors, officers, managers and other supervisors are expected to develop in employees a sense of commitment to the spirit, as well as the letter, of this Code. Supervisors are also expected to ensure that all agents and contractors conform to Code standards when working for or on behalf of Vical Incorporated (the “*Company*”). The compliance environment within each supervisor’s assigned area of responsibility will be a factor in evaluating the quality of that individual’s performance. Nothing in this Code alters the employment at-will policy of the Company.

This Code cannot possibly describe every practice or principle related to honest and ethical conduct. This Code addresses conduct that is particularly important to proper dealings with the people and entities with whom we interact, but reflects only a part of our commitment. The Employee Handbook and the Window Period Policy are additional policies of the Company that supplement or amplify this Code in certain areas and should be read in conjunction with this Code.

Action by members of your immediate family, significant others or other persons who live in your household also may potentially result in ethical issues to the extent that they involve Company business. For example, acceptance of inappropriate gifts by a family member from one of our suppliers could create a conflict of interest and result in a Code violation attributable to you. Consequently, in complying with this Code, you should consider not only your own conduct, but also that of your immediate family members, significant others and other persons who live in your household.

The integrity and reputation of the Company depends on the honesty, fairness and integrity brought to the job by each person associated with us. It is the responsibility of each employee to apply common sense, together with his or her own highest personal ethical standards, in making business decisions where there is no stated guideline in this Code. Unyielding personal integrity is the foundation of corporate integrity.

You should not hesitate to ask questions about whether any conduct may violate this Code, to clarify gray areas or to voice your concerns. Section 10 below details the compliance resources available to you. In addition, you should be alert to possible violations of this Code by others and report suspected violations, without fear of any form of retaliation. Violations of this

Code will not be tolerated. Any employee who violates the standards in this Code may be subject to disciplinary action, up to and including termination of employment and, in appropriate cases, civil legal action or referral for criminal prosecution.

1. Legal Compliance

Obeying the law, both in letter and in spirit, is the foundation of this Code. Our success depends upon each employee's operating within legal guidelines and cooperating with local, national and international authorities. It is therefore essential that you understand the legal and regulatory requirements applicable to your department and area of responsibility. While we do not expect you to memorize every detail of these laws, rules and regulations, we want 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 supervisor or the Compliance Officer.

Disregard of the law will not be tolerated. Violation of domestic or foreign laws, rules and regulations may subject an individual, as well as the Company, to civil and/or criminal penalties. You should be aware that conduct and records, including emails, are subject to internal and external audits, and to discovery by third parties in the event of a government investigation or civil litigation. It is in everyone's best interests to know and comply with our legal and ethical obligations.

Misuse of Company Computer Equipment

You may not, while acting on behalf of the Company or while using our computing or communications equipment or facilities, either:

- access the internal computer system (also known as "hacking") or other resource of the Company or another entity without express written authorization from the Company or the entity responsible for operating that resource, as applicable; or
- commit any unlawful or illegal act, including harassment, libel, fraud, sending of unsolicited bulk email (also known as "spam") in violation of applicable law, trafficking in contraband of any kind, or espionage.

If you receive authorization to access Company' or another entity's internal computer system or other resource, you must 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 the Company, either while acting on our behalf or using our computing or communications equipment or facilities, you should contact your supervisor or the Compliance Officer for approval.

All data residing on or transmitted through our computing and communications facilities, including email and word processing documents, is the property of the Company and subject to inspection, retention and review by the Company in accordance with applicable law.

2. Insider Trading

Employees who have access to confidential (or “inside”) information are not permitted to use or share that information for stock trading purposes or for any other purpose except to conduct our business. All non-public information about the Company or about companies with which we do business is considered confidential information. To use material non-public information in connection with buying or selling securities, including “tipping” others who might make an investment decision on the basis of this information, is not only unethical, it is illegal. Employees must exercise the utmost care when handling material non-public information. We have adopted a separate securities trading policy to which you are bound as a condition of your employment here. You should consult the Window Period Policy for more specific information on the definition of “material non-public information” and on buying and selling our securities or securities of companies with which we do business.

3. Conflicts of Interest

Conflicts of interest can arise in virtually every area of the operations of the Company. You must avoid personal interests that conflict with interests of the Company, or that might influence or even appear to influence your judgment or actions in performing your duties.

Thus, you should not have any business, financial or other relationship with collaborators, suppliers, or competitors that might impair or even appear to impair the independence of the Company. The word “appear” is very important. Even where there is no actual conflict of interest, the appearance of such a conflict is damaging because it can undermine trust among employees and cost us the respect of collaborators, suppliers, or competitors and others in our industry.

If you have any questions about a potential conflict or if you become aware of an actual or potential conflict, you should discuss the matter with your supervisor, the Compliance Officer or the Chairman of the Audit Committee, as appropriate. Supervisors may not authorize conflict of interest waivers without first seeking the approval of the Compliance Officer and filing with the Compliance Officer a written description of the authorized activity. If the supervisor is involved in the potential or actual conflict, you should discuss the matter directly with the Compliance Officer.

Loans

Loans to, or guarantees of obligations of, employees or their family members by the Company could constitute an improper personal benefit to the recipients of these loans or guarantees, depending on the facts and circumstances. Some loans are expressly prohibited by law and applicable law requires that our Board of Directors approve all loans and guarantees to employees at the Vice President level and above. As a result, all loans and guarantees by Company at the Vice President level and above, must be approved in advance by either the Nominating/Governance Committee or the Audit Committee.

Personal Relationship

Personal relationships which create actual or potential conflicts of interest are to be avoided by all employees. Personal or romantic involvement with a collaborator, competitor, supplier or any employee of the Company, which impairs an employee's ability to exercise good judgment on behalf of the Company, creates an actual or potential conflict of interest. Supervisor-subordinate romantic or personal relationships also can lead to supervisory problems, possible claims of sexual harassment, and morale problems.

An employee involved in any of the types of relationships described above should immediately and fully disclose the relevant circumstances to his or her immediate supervisor or the Compliance Officer for a determination as to whether a potential or actual conflict of interest exists. If an actual or potential conflict is determined, the Company may take whatever corrective action it deems appropriate according to the circumstances, including, without limitation, transfer, demotion, or termination of employment. Failure to disclose the existence of any of the types of relationships described in this Code shall constitute grounds for disciplinary action up to and including termination of employment.

4. Corporate Opportunities

You may not take personal advantage of opportunities that are presented to you or discovered by you as a result of your position with us or through your use of corporate property or information, unless authorized by the Compliance Officer or the Nominating/Governance Committee. Even opportunities that are acquired privately by you may be questionable if they are related to our existing or proposed lines of business. Participation in an investment or outside business opportunity that is related to our existing or proposed lines of business must be pre-approved by the Compliance Officer and if appropriate, the Nominating/Governance Committee. You cannot use your position with us or corporate property or information for improper personal gain, nor can you compete with us in any way.

5. Maintenance of Corporate Books, Records, Documents and Accounts; Financial Integrity; Public Reporting

Financial Reporting and Accounting

The integrity of our 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. Our records serve as a basis for managing our business and are important in meeting our obligations to stockholders, collaborators, suppliers, creditors, employees and others with whom we do business. As a result, it is important that our books, records and accounts accurately and fairly reflect, in reasonable detail, our assets, liabilities, revenues, costs and

expenses, as well as all transactions and changes in assets and liabilities. We require that:

- no entry be made in our books and records that intentionally hides or disguises the nature of any transaction or of any of our liabilities, or misclassifies any transactions as to accounts or accounting periods;
- transactions be supported by appropriate documentation;
- the terms of 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 our system of internal controls and all requirements of the Sarbanes Oxley Act of 2002;
- no changes can be made to our internal controls without authorization by the CFO; and
- no cash or other assets be maintained for any purpose in any unrecorded or “off-the-books” fund.

Our accounting records are also relied upon to produce reports for our board of directors, management, stockholders and creditors, as well as for governmental agencies. In particular, we rely upon our accounting and other business and corporate records in preparing the periodic and current reports that we file with the SEC. These reports must provide full, fair, accurate, timely and understandable disclosure and fairly present our 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 our financial disclosure is accurate and transparent and that our reports contain all of the information about the Company that would be important to enable stockholders and potential investors to assess the soundness and risks of our business and finances and the quality and integrity of our accounting and disclosures. In addition:

- no employee may take or authorize any action that would cause our financial records or financial disclosure to fail to comply with generally accepted accounting principles, the rules and regulations of the SEC or other applicable laws, rules and regulations;
- all employees must cooperate fully with our accounting department, as well as our independent public accountants and outside legal counsel, respond to their questions with candor and provide them with complete and accurate information to help ensure that our books and records, as well as our reports filed with the SEC, are accurate and complete; and
- 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 of our reports accurate in all material respects.

Any employee who becomes aware of any departure from these standards has a responsibility to report his or her knowledge promptly to a supervisor, the Compliance Officer or the Chairman of the Audit Committee.

Reporting of Expenses

All expense items associated with travel or local business matters, including airfare, hotel expenses, taxi/limousine services, car rental, business meals and entertainment, must be accurately and fully documented on the expense report (whether or not they are paid directly) with applicable receipts attached. The documentation should include identification of the collaborator or prospective collaborator involved, if applicable, and a brief description of the business matter that required the expense.

Selective Disclosure

The federal securities laws prohibit the selective disclosure of financial and other corporate information. It is the policy of the Company to disclose important corporate events by means of a press release or a filing with the SEC, and to refrain from selectively disclosing nonpublic information to securities analyst or members of the media. Section 8 describes our policies related to media/public discussions.

6. Gifts, Entertainment and Meals

Business entertainment, gifts and meals are meant to create goodwill and sound working relationships and not to gain improper advantage with collaborators or facilitate approvals from government officials. Unless express permission is received from a supervisor, the Compliance Officer or the Nominating/Governance Committee, entertainment, gifts and meals in excess of \$50 cannot be offered, provided or accepted by any employee unless consistent with customary business practices and not (a) excessive in value, (b) in cash, (c) susceptible of being construed as a bribe or kickback or (d) in violation of any laws. Note that the test is not whether a particular gift, meal or other benefit was actually provided to obtain favorable treatment, but whether it might give the appearance of having been provided for that reason. This principle applies to our transactions everywhere in the world, even where the practice is widely considered “a way of doing business.” Under some statutes, such as the U.S. Foreign Corrupt Practices Act, giving anything of value to a government official to obtain or retain business or favorable treatment is a criminal act subject to prosecution and conviction. With respect to government employees, no gifts, meals, entertainment or benefits whatsoever may be provided to such employees. Discuss with your supervisor or the Compliance Officer any proposed entertainment or gifts that you are considering offering, providing or accepting if you are uncertain about their appropriateness.

7. Confidentiality

One of our most important assets is our confidential information. Employees who have received or have access to confidential information should take care to keep this information

confidential. Confidential information includes but is not limited to, (a) trade secrets, inventions, ideas, processes, formulas, source and object codes, scientific or other data, programs, other works of authorship, know-how, improvements, discoveries, developments, designs and techniques, (b) information regarding plans for research, development, new products, marketing and selling, business plans, budgets and unpublished financial statements, licenses, prices and costs, suppliers and customers; and information regarding the skills and compensation of other employees of the Company and (c) similar information received from third parties such as our customers, suppliers and corporate partners. This information may be protected by patent, trademark, copyright and trade secret laws.

Except when disclosure is authorized or legally mandated, you must not share our or our suppliers, customers' or corporate partners' confidential information with third parties or others within the Company who have no legitimate business purpose for receiving that information. Doing so would constitute a violation of the proprietary information and inventions agreement that you signed upon joining us. Improper use or distribution of this information could also be illegal and result in civil liability and/or criminal penalties.

You should also take care not to inadvertently disclose confidential information. Materials that contain confidential information, such as presentations, memos, notebooks, computer disks and laptop computers should be stored securely. Unauthorized posting or discussion of any information concerning our business, information or prospects on the Internet is prohibited. You may not discuss our business, information or prospects in any "chat room," regardless of whether you use your own name or a pseudonym. Be cautious when discussing sensitive information in public places like elevators, airports, restaurants and "quasi-public" areas within the Company, such as cafeterias. All Company emails, voicemails and other communications are presumed confidential and should not be forwarded or otherwise disseminated outside of the Company, except where required for legitimate business purposes.

In addition to the above responsibilities, if you are handling information protected by any privacy policy published by us, then you must handle that information solely in accordance with the applicable policy.

8. Media/Public Discussions

It is our policy to disclose material information concerning the Company 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 equal access to information. All inquiries or calls from the press and financial analysts should be referred to the Chief Financial Officer or the Investor Relations Department. We have designated the Chief Financial Officer or the Investor Relations Department as our official spokespersons for financial matters. We have designated the Chief Executive Officer or the Chief Scientific Officer as our official spokespersons for marketing, technical and other related information. Unless a specific exception has been made by the Chief Executive Officer, these designees are the only people who may communicate with the press on behalf of the Company.

9. Waivers

Any waiver of this Code for executive officers (including, where required by applicable laws, our principal executive officer, principal financial officer, principal accounting officer or controller or persons performing similar functions) or directors may be authorized only by our Board of Directors or a committee of the Board and will be disclosed to stockholders as required by applicable laws, rules and regulations.

10. Compliance Standards and Procedures

Compliance Resources

To facilitate compliance with this Code, we have implemented a program of Code awareness, training and review. We have established the position of Compliance Officer to oversee this program. The Compliance Officer is a person to whom you can address any questions or concerns. The Compliance Officer is our Chief Financial Officer and can be reached at extension 1-858-646-1111. In addition to fielding questions or concerns with respect to potential violations of this Code, the Compliance Officer is responsible for:

- investigating possible violations of this Code;
- training new employees in Code policies;
- conducting annual training sessions to refresh employees' familiarity with this Code;
- distributing copies of this Code annually via email to each employee with a reminder that each employee is responsible for reading, understanding and complying with this Code;
- updating this Code as needed and alerting employees to any updates, with appropriate approval of the Nominating/Governance Committee of the Board of Directors, to reflect changes in the law, the Company operations and in recognized best practices, and to reflect Company experience; and
- otherwise promoting an atmosphere of responsible and ethical conduct.

Your most immediate resource for any matter related to this Code is your supervisor. He or she may have the information you need, or may be able to refer the question to another appropriate source. There may, however, be times when you prefer not to go to your supervisor. In these instances, you should feel free to discuss your concern with the Compliance Officer. If you are uncomfortable speaking with the Compliance Officer because he or she works in your department or is one of your supervisors, please contact Human Resources.

Whistleblower Process

For employees, the Company has a locked mailbox in the mail room on the second floor. Employees may anonymously communicate any concerns by placing a written message in this mailbox. The keys to this mailbox are kept by our Audit Committee Chairman, who personally collects the contents of this box at least quarterly.

Clarifying Questions and Concerns; Reporting Possible Violations

If you encounter a situation or are considering a course of action and its appropriateness is unclear, discuss the matter promptly with your supervisor or the Compliance Officer; even the appearance of impropriety can be very damaging and should be avoided.

Obligation to Report Possible Violations

If you are aware of a suspected or actual violation of Code standards by others, you have a responsibility to report it. You are expected to promptly provide a compliance resource with a specific description of the violation that you believe has occurred, including any information you have about the persons involved and the time of the violation.

No Reprisals

Whether you choose to speak with your supervisor or the Compliance Officer, you should do so without fear of any form of retaliation. We will take prompt disciplinary action against any employee who retaliates against you, up to and including termination of employment.

Confidentiality

Supervisors must promptly report any complaints or observations of Code violations to the Compliance Officer. The Compliance Officer will investigate all reported possible Code violations promptly and with the highest degree of confidentiality that is possible under the specific circumstances. Your cooperation in the investigation will be expected. As needed, the Compliance Officer will consult with outside legal counsel, the Human Resources department and/or the Nominating/Governance Committee of the Board of Directors.

Discipline

If the investigation indicates that a violation of this Code has probably occurred, we will take such action as we believe to be appropriate under the circumstances. If we determine that an employee is responsible for a Code violation, he or she will be subject to disciplinary action up to, and including, termination of employment and, in appropriate cases, civil action or referral for criminal prosecution. Appropriate action may also be taken to deter any future Code violations. Such disciplinary actions may also be taken (1) when an employee fails to report or withholds relevant information concerning a violation of such standards, laws or regulation, or (2) when there has been inadequate supervision or lack of diligence by a supervisor or manager in connection with a violation of such standards, laws, or regulations.