

NUCRYST Pharmaceuticals Corp.

Code of Conduct and Ethics for Directors, Officers and Employees

The Board of Directors (the “Board”) of NUCRYST Pharmaceuticals Corp. (the “Corporation”) has developed and adopted this Code of Conduct and Ethics (the "Code") applicable to its Directors, Officers and Employees.

All Directors, Officers and Employees of the Corporation are accountable for adherence to this Code and will at all times in relation to the Corporation:

- Act honestly and ethically.
- Comply with all applicable laws, rules and regulations of federal, provincial, state and local governments, and other appropriate private and public regulatory agencies including, without limitation, all “insider trading” prohibitions.
- Not use confidential information acquired as a result of their role with the Corporation for personal advantage.
- Avoid all actual or apparent conflicts of interest between their personal and professional relationships, ethically handling all such actual or apparent conflicts of interest.
- Not (a) take for themselves any opportunity that properly belongs to the Corporation or is discovered through the use of corporate property, information or position; or (b) use corporate property, information or position for personal gain; nor (c) compete with any business activity of the Corporation.
- Promptly and accurately provide all necessary information to assure that the Corporation’s public reports, documents and filings (including but not limited to those filed with any stock exchange or securities commission or in any other public communication) are full, fair, accurate, timely and understandable and that the Corporation’s public disclosure requirements are fully met.
- Promptly report any known violations of this Code to the Chief Financial Officer of the Corporation.
- Not permit retaliation of any kind by or on behalf of the Corporation and its Directors, Officers and Employees against good faith reports or complaints of violations of this Code or other illegal or unethical conduct.

This Code may be amended, modified or waived from time to time by the Board in its sole discretion, and waivers may also be granted by the Corporate Governance and Nominating Committee or the Audit Committee of the Board, subject to the disclosure and other provisions of the applicable Canadian and U.S. securities legislation and the applicable rules of the stock exchanges upon which the Corporation’s shares trade from time to time.

This Code does not summarize all laws, rules and regulations applicable to the Corporation and its Directors, Officers and Employees. Whenever feasible, Directors, Officers and Employees should consult the Chief Financial Officer of the Corporation, and the various guidelines that the Corporation has prepared on specific laws, rules and regulations, in relation to any questions regarding the applicability of this Code or any of its provisions.