

On March 14, 2007 the Board adopted an amended and restated Code of Business Conduct and Ethics (the "Code") that replaces the Code of Business Conduct and Ethics adopted by the Company on March 19, 2004, and adopted an amended an restated Nuvelo, Inc. Complaint and Investigation Policy and Procedure, that replaces the Nuvelo, Inc. Complaint and Investigation Protocol for Accounting, Internal Accounting Controls, Fraud or Auditing Matters adopted by the Company on March 19, 2004, and amended on August 2, 2004. The Code applies to all of the Company's directors, officers, and employees, and establishes the Company's expectations for its consultants, contractors, representatives, and agents. The Code promotes the ethical and honest conduct of the Company's directors, officers, and employees and addresses the use of Company assets, confidential information, gifts and gratuities, equal opportunity and unlawful harassment, workplace violence, health, safety and the environment, the Company's commitment to quality research and development, interactions with healthcare professionals, public communications and the importance of accurate and reliable company records, such as financial records and public reports, the identification and disclosure of conflicts of interest, securities and insider trading, the foreign corrupt practices act and improper payments, fair competition and antitrust, political contributions and activities, advertising and promotional standards, and compliance with laws and regulations. The Code is a code of ethics in compliance with the Sarbanes-Oxley Act of 2002 and the rules promulgated under such Act.

NUVELO, INC.

CODE OF BUSINESS CONDUCT AND ETHICS

Amended and Restated on March 14, 2007

INTRODUCTION

In all aspects of our business, Nuvelo, Inc. (Nuvelo) and its employees must conduct themselves with the highest standards of ethics and integrity, and comply with all applicable laws, rules, and regulations. This Code of Business Conduct and Ethics (Code) contains general guidelines for the conduct of Nuvelo's business consistent with these standards. To the extent this Code requires a higher standard than required by commercial practice or applicable laws, rules, or regulations, we expect the Nuvelo team to adhere to these higher standards. This Code supplements the rules and guidelines set forth in Nuvelo's Employee Handbook, the Nuvelo Communications Policy, the Disclosure Control Policy, the Policy on Interactions with Healthcare Professionals, and Nuvelo's other policies, which can be found at http://*. This Code and the matters addressed in it do not constitute an employment contract. As Nuvelo continues to develop its product candidates and build its business, Nuvelo will amend and supplement this Code and the matters contained in it to address Nuvelo's changing circumstances.

This Code applies to our directors, officers, and employees, and establishes our expectations for our consultants, contractors, representatives, and agents. We refer to all persons covered by this Code as "Company employees" or the "Nuvelo team," or simply "employees" or "you." We also refer to our principal executive officer, our principal financial officer, our principal accounting officer, and our controller as our "principal financial officers."

* Information redacted.

Dear Employee,

Every member of the Nuvelo team plays an important role in achieving our challenging goals as we strive to build a best-in-class biopharmaceutical company. Your contribution and behavior is critical to our success!

To be best-in-class, Nuvelo must be known for ethics and integrity, in addition to being recognized for excellence, innovation, and determination. We must conduct ourselves with the highest standards of ethics and integrity and not tolerate illegal or unethical behavior. Our high standards are the foundation upon which we are building a vigorous, thriving company.

I'm counting on each of you to make a difference!

Ted W. Love, M.D.
Chairman and CEO

NUVELO VALUES

Our company has core values that are considered to be key success factors for all jobs. We believe these behaviors, along with core competencies, will positively shape our work environment and our culture. A friendly, collaborative, and professional culture will spawn the innovation and initiative that will provide us with a competitive advantage, and unique opportunities for individual achievement. Our core values at Nuvelo are:

Teamwork: We value and recognize the contributions of others and look for ways to collaborate. We treat our colleagues and customers with respect. We think critically but are not critical of others. We are authentic, candid, and direct in our communications. We are objective and fair. We listen to and learn from one another. We model the behaviors we expect from others.

Excellence: We aspire to be our best and apply ourselves with rigor to the goals we have set. We recognize and esteem excellence in others and ourselves. We are guided by the achievement of results and the attainment of our goals. We invent and innovate. We create an environment that allows people to excel.

Personal Responsibility: We take personal responsibility for our work. We get results through our individual initiative and drive. Everyday it is up to each of us to make a difference. We ask ourselves throughout the day- what can I do to make a difference at Nuvelo? We each take personal responsibility to make Nuvelo all that it can be.

Sense of Urgency: We do today what can be done today. Our mission, to develop human therapeutics that improve people's lives, is so important that each day matters. We are committed to our work, strive to consistently meet deadlines, and apply pride and enthusiasm to our assignments. Our colleagues can count on us to deliver.

Focus: We are unwavering in our desire to succeed. We approach our work with an intensity of mind and spirit. We operate with the highest level of ethics and integrity. Quality is the cornerstone for all of our endeavors. We are committed to creating value for our employees, stockholders, and ultimately our customers.

Fun: We are optimistic about our future. We have chosen to work at Nuvelo because we believe in what we can accomplish together. Our colleagues are often our friends and we enjoy working together.

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2. SEEKING HELP AND REPORTING VIOLATIONS OF THE CODE

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 Nuvelo's ethical standards, seek help. We encourage you to consult Nuvelo's Employee Handbook and contact your supervisor for help first. If your supervisor cannot answer your question, or if you do not feel comfortable contacting your supervisor, contact Nuvelo's Compliance Officer.

Reporting Violations of the Code

All employees have a duty to report any known or suspected violation of this Code and any violation of the laws, rules, regulations, or policies that apply to Nuvelo. If you know of or suspect a violation of this Code, and you feel comfortable reporting the conduct to your supervisor, then immediately report the conduct to your supervisor. Your supervisor will report the conduct to the Compliance Officer, 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, report the conduct to the Compliance Officer or file a complaint through Nuvelo's intranet site at http://*.

All reports of known or suspected violations of the law or this Code will be handled seriously, sensitively, expeditiously, and with discretion. Nuvelo will investigate reports thoroughly and take action to prevent recurrence of misconduct, in accordance with Nuvelo's Complaint and Investigation Policy and Procedure, which can be found at http://*. All investigations will be conducted in a manner that takes reasonable steps to protect the confidentiality and anonymity of the employee submitting the report when so requested, to the extent anonymity is consistent with Nuvelo's obligation to investigate reports thoroughly and to take disciplinary or corrective action to prevent recurrence of any misconduct. No employee will be discharged, demoted, suspended, threatened, or harassed as a result of lawfully submitting a report if the employee acts lawfully and reasonably believes that the report involves a violation of an applicable law or regulation, or a violation of this Code or any of Nuvelo's

* Information redacted.

other policies.

Any employee who violates this Code will be subject to appropriate discipline, which could include, without limitation: remedial training, written warnings, reduction in duties, immediate termination, or possible civil or criminal prosecution. This determination will be based upon the facts and circumstances of each particular situation. 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 this Code or the law also may expose themselves to substantial civil damages, criminal fines and prison terms. The Company also may face substantial fines and penalties and may incur damage to its reputation and standing in the community. Your conduct as a representative of Nuvelo, if it does not comply with the law or with this Code, can result in serious consequences for both you and Nuvelo. For further information regarding the treatment of violations of this Code and Nuvelo's other policies, please review the Complaint and Investigation Policy and Procedure, located at http://*.

3. CONTACT INFORMATION FOR REPORTING CODE VIOLATIONS

Compliance Officer: *
Phone Number: *
Email: *

Violations can also be reported electronically, on Nuvelo's intranet site, at: http://*.

* Information redacted.

4. USE OF COMPANY ASSETS

As a member of the Nuvelo team, you are expected to respect and guard Nuvelo's assets at all times to create value for our employees, stockholders, and ultimately our customers. Nuvelo will not tolerate the misuse, abuse, or theft of Nuvelo assets. Nuvelo assets include, without limitation: business and laboratory supplies and materials; business and laboratory structures and furniture; computer and communication systems, components, and materials; confidential information; and intellectual property, including patents, trademarks, copyrights, and trade secrets.

The telephone, internet, and email systems are the property of Nuvelo and are provided by Nuvelo for business use. Although occasional use of the telephone, fax machine, internet, and email for personal use is permitted, misuse and abuse of these communication systems is not permitted. Misuse or abuse of Nuvelo's communication systems include, without limitation, excessive use for personal purposes, use for personal political activities, use for any illicit or illegal purpose, such as threatening, obscene, or harassing communications, and any use in violation of the Nuvelo Communications Policy.

Nuvelo reserves the right to access, monitor, and disclose for business purposes all communications and information sent using Nuvelo's communication systems. If you have questions on the use of Nuvelo's communication systems, you should refer to Nuvelo's Employee Handbook, the Nuvelo Communications Policy, and the section of this Code titled, "Political Contributions," for additional information.

5. CONFIDENTIAL INFORMATION

Information relating to Nuvelo's internal business affairs, particularly confidential scientific and business information (collectively referred to as "Confidential Information"), represents a valuable proprietary asset that each employee has a continuing obligation to protect. All Confidential Information that is developed in the course of an employee's work at Nuvelo belongs to Nuvelo. Employees are not permitted to directly or indirectly disclose, use, or permit others to disclose or use Confidential Information unless specifically directed to do so in the performance of the employee's services to Nuvelo. When an employee's employment with Nuvelo terminates, the employee must turn over any documents and other materials in the employee's possession that contain any Confidential Information.

Employees should not bring to Nuvelo, or use for Nuvelo's benefit, any confidential or proprietary ideas or information belonging to a former employer, or any other individual or entity, unless the employee has obtained written consent for the disclosure of the information from the former employer, or other individual or entity. Each employee is expected to keep any confidential or proprietary information received from other people or other companies during the employee's employment at Nuvelo confidential and to use such information only for those Nuvelo purposes that were expressly permitted by the disclosing individuals or companies.

You also are obligated to comply with the terms of your written agreement with Nuvelo regarding the protection of Nuvelo's confidential information and intellectual property rights. You should refer to Nuvelo's Employee Handbook and your written agreement with Nuvelo for further details on Nuvelo's policies and guidelines with respect to Confidential Information and intellectual property.

6. GIFTS AND GRATUITIES

Nuvelo permits the occasional giving and receiving of customary and promotional gifts to and from employees, service providers, collaboration partners, and other business associates, so long as the value of such gifts is not unreasonable and the other restrictions below are not violated. The standard for what is a reasonable value for a gift will be set by Nuvelo's Chief Executive Officer, and adjusted from time to time as appropriate. Nuvelo does not permit employees to give or receive gifts of cash, securities, loans, bonds, or any other debt securities. Nuvelo also does not permit employees to give or receive gifts of any kind that are given or received in order to obtain or retain Nuvelo's business, or induce or support any illegal activity.

Nuvelo permits employees to attend as guests, and to invite service providers and collaboration partners that are not healthcare professionals to attend as our guests, customary, reasonable business dinners and entertainment, such as sporting events, at which at least one employee of Nuvelo and at least one employee of the service provider or collaboration partner are in attendance as hosts for the event.

Nuvelo's policies on interactions with healthcare professionals, which include policies on gifts, meals, activities, and gratuities, are set forth in Nuvelo's Policy on Interactions with Healthcare Professionals. Employees also should refer to the section of this Code titled, "Foreign Corrupt Practices Act and Improper Payments," for questions regarding payments

or gifts to government officials. Finally, this section of the Code does not apply to compensation paid or otherwise provided by Nuvelo to Nuvelo employees.

7. EQUAL OPPORTUNITY AND UNLAWFUL HARASSMENT

Nuvelo is committed to providing equal employment and advancement opportunities to all individuals, without regard to race, color, religion, sex, sexual orientation, national origin, age, mental or physical disability, medical condition, marital status, veteran's status, or any other characteristic protected by federal, state, or local law. Employees are not permitted to discriminate against anyone based upon any of these factors. Nuvelo will make reasonable accommodations for qualified individuals with known disabilities, unless doing so would result in an undue hardship to Nuvelo. For further information on Nuvelo's policies regarding equal employment opportunity, please refer to the Employee Handbook or contact your supervisor or the human resources department.

Nuvelo also is committed to providing a workplace free of unlawful harassment based on sex, race, religious creed, color, national origin, ancestry, age (over 40), medical condition, marital status, sexual orientation, disability, pregnancy or related medical condition, or any other basis protected by applicable law to the extent protected by applicable law. Nuvelo will not tolerate unlawful harassment of employees by other employees or contractors. For further information on Nuvelo's policies regarding unlawful harassment, please refer to the Employee Handbook or contact your supervisor or the human resources department.

8. WORKPLACE VIOLENCE

Nuvelo is committed to providing a workplace free of workplace violence. For information on Nuvelo's policies regarding workplace violence, please refer to the Employee Handbook or contact your supervisor or the human resources department.

9. HEALTH, SAFETY, AND THE ENVIRONMENT

Nuvelo is committed to providing a safe and healthful work environment. The Company maintains active and comprehensive health and safety programs, including written programs and policies, training, routine safety meetings, and inspections. Each employee is responsible for attending the classes and meetings provided by Nuvelo that provide important health and safety information and to follow the instructions

given in training classes and manuals and to use equipment in a manner that minimizes the risk of injury or illness. Each employee also is responsible for complying with Nuvelo's written health and safety policies. You should refer to Nuvelo's Injury and Illness Prevention Program for additional information on employee health and safety.

Nuvelo also is committed to the protection of the environment by complying with all applicable environmental laws, rules, and regulations. Each employee is responsible for complying with Nuvelo's policies and procedures related to the proper disposal of chemicals and other wastes.

10. COMMITMENT TO QUALITY RESEARCH AND DEVELOPMENT

Nuvelo is committed to conducting quality research and developing and manufacturing quality biopharmaceutical products. Each employee is responsible for abiding by all applicable laws and regulations that apply to Nuvelo's research, development, and manufacturing activities, including without limitation, good laboratory practices, good clinical practices, good manufacturing practices, the regulations of the Food and Drug Administration, and laws and regulations governing research activities. Nuvelo will not tolerate the falsification or fabrication of research, clinical, or manufacturing information or data.

11. INTERACTIONS WITH HEALTHCARE PROFESSIONALS

Nuvelo is committed to interacting with healthcare professionals in an ethical and professional manner, in compliance with all applicable laws, rules, and regulations. All employees must avoid engaging in any activity which would inappropriately influence a healthcare professional's medical judgment. Nuvelo's Policy on Interactions with Healthcare Professionals establishes Nuvelo's detailed policies relating to interactions with healthcare professionals.

12. COMPANY RECORDS

Accurate and reliable records are crucial 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, emails, accounting and financial data, measurement and performance records, laboratory notebooks, electronic data files, and all other records maintained in the ordinary course of our business.

All Company records 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 Retention Policy. Ask your supervisor first and then the Compliance Officer if you have any questions regarding Nuvelo's records.

13. CONFLICTS OF INTEREST

Identifying Potential Conflicts of Interest

A conflict of interest can occur when an employee's private interest interferes, or reasonably appears to interfere, with the interests of Nuvelo as a whole. The actions of your family members outside the workplace may also give rise to conflicts of interest because they may influence your objectivity in making decisions on behalf of Nuvelo. For purposes of this Code, "family members" include your spouse or life-partner, brothers, sisters, parents, in-laws, and children, whether such relationships are by blood or adoption. You should avoid any private interest that influences your ability to act in the interests of Nuvelo 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 situations are examples of conflicts of interest:

- Outside Employment. 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 Nuvelo.
- 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 Nuvelo.
- 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 Nuvelo. 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 Nuvelo. 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 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 Nuvelo. Nuvelo officers should refer to Nuvelo's Policy Regarding Service on Outside Boards of Directors and Government Commissions by Nuvelo Officers.

For purposes of this Code, a company is a "material" customer if the company has made payments to Nuvelo in the past year in excess of 5% of Nuvelo's gross revenues. A company is a "material" supplier if the company has received payments from Nuvelo in the past year in excess of \$200,000 or 5% of the supplier's gross revenues, whichever is greater. A company is a "material" competitor if the company competes in Nuvelo's line of business and has annual gross revenues from such line of business in excess of \$10 million. If you are uncertain whether a particular company is a material customer, supplier, or competitor, please contact the Compliance Officer for assistance. If you are a director and you have a question regarding any of the above discussed issues, you should contact the Chairman of the Board, the Vice Chairman of the Board, or the Compliance Officer to address the issue.

Disclosure of Conflicts of Interest

The Company requires that employees disclose any situation that reasonably would be expected to give rise to a conflict of interest. If you suspect that you have a conflict of interest or a family member's action may create 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 Compliance Officer. Your supervisor and the Compliance Officer 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 the section of this Code titled, "Waivers of the Code."

14. PUBLIC COMMUNICATIONS AND ACCURACY OF REPORTS

Nuvelo is committed to disclosing to the public only accurate and complete information regarding Nuvelo's business, financial condition, medical research, and results of operations, in accordance with federal law, various securities laws and reporting obligations, and the Nuvelo Communications Policy. Inaccurate, incomplete, or untimely public disclosure or reporting will not be tolerated, and Nuvelo will not tolerate any employee who knowingly provides inaccurate or incomplete information. Inaccurate, incomplete, or untimely reporting of Nuvelo business, financial, or operations information can severely damage Nuvelo and result in legal liability.

The Company's principal financial officers and other employees working in the Accounting Department 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.

15. SECURITIES AND INSIDER TRADING

In order to comply with federal and state securities laws governing trading in Nuvelo securities, you are not permitted to trade in Nuvelo's securities while possessing material nonpublic information concerning Nuvelo, or during any blackout period or special blackout period. Similarly, you are not permitted to "tip" or disclose material nonpublic information concerning Nuvelo to any outside person (including family members, friends, analysts, individual investors, members of the investment community, and news media), unless required as part of your regular duties for Nuvelo and consistent with the Nuvelo Communications Policy and the Disclosure Control Policy. You also are not permitted to provide trading advice of any kind about Nuvelo to anyone while possessing material nonpublic information about Nuvelo, except that you should advise others not to trade if doing so might violate the law, this Code, or Nuvelo's policies relating to securities trading.

In addition to protecting Nuvelo's material nonpublic information, employees also must protect the material nonpublic information of other companies with which Nuvelo interacts. Employees are not permitted to: (i) trade in the securities of any other company while possessing material nonpublic information concerning that company; (ii) "tip" or disclose material nonpublic information concerning any other company

to anyone; or (iii) give trading advice of any kind to anyone concerning any other company while possessing material nonpublic information about that company.

Information about a company is “material” if it would be expected to affect the investment or voting decisions of the reasonable shareholder or investor, or if the disclosure of the information would be expected to significantly alter the total mix of the information in the marketplace about the company. In simple terms, material information is any type of information which could reasonably be expected to affect the price of a company’s securities. Material information is “nonpublic” if it has not been widely disseminated to the public through major news wire services, presentations made publicly-available on the world-wide web, conference calls, or filings with the Securities and Exchange Commission. For the purposes of this Code, information about Nuvelo is considered public (i.e., no longer “nonpublic”) after the close of trading on the second full trading day following Nuvelo’s widespread public release of the information.

Finally, employees are not permitted to engage in the short selling of Nuvelo stock, or buy or sell options in Nuvelo stock, because these activities conflict with each employee’s obligation to protect Nuvelo’s interests and shareholder value.

If you have any questions about securities or insider trading, you should refer to the Nuvelo, Inc., Insider Trading and Confidentiality Policy and the Nuvelo, Inc., Section 16 Individuals Trading Policy for more detailed discussions of Nuvelo’s policies in this area.

16. FOREIGN CORRUPT PRACTICES ACT AND IMPROPER PAYMENTS

Nuvelo is committed to conducting its business throughout the world in compliance with all laws prohibiting the bribery of government or foreign officials, such as the Foreign Corrupt Practices Act. To uphold that commitment, all employees are expressly prohibited from offering, authorizing the making of, or making, either directly or through consultants, contractors, representatives, or agents, a bribe or kick-back to a local or foreign official in order to assist Nuvelo in obtaining, retaining, or having business directed to Nuvelo or any other entity. Laws in this area are complicated, so employees should contact their supervisor first and then the Compliance Officer if they have questions on this section of the Code.

Similarly, Nuvelo is committed to treating its service providers and other

collaborators fairly and ethically. Employees are expected to evaluate potential and current service providers and collaborators using objective criteria, such as ability to perform, types of services offered, and availability. Employees are not permitted to request, demand, or receive bribes or kick-backs from potential or current service providers or collaborators of Nuvelo for any reason. Employees should refer to the section of this Code titled, "Gifts and Gratuities," to understand the types of gifts and gratuities employees are permitted to give and receive.

17. FAIR COMPETITION AND ANTITRUST

Nuvelo advocates fair competition in the marketplace. Fair competition keeps the price of goods and services low, enhances the quality of goods and services, and encourages innovation. Illegal restraints on trade which prevent fair competition include, without limitation: price-fixing, predatory pricing, bid rigging, agreements not to compete, agreements between competitors to allocate customers or territories, agreements between competitors not to deal with a particular entity or entities, and conditioning the sale of one product on the purchase of another product that could be purchased elsewhere at a lower price. To promote fair competition, employees are not permitted to take any action or engage in any activity that would result in a restraint on trade in violation of any applicable fair trade, fair competition, or antitrust laws. In addition, employees must avoid participation in any discussion of prohibited restraints on trade, as the existence of an illegal restraint on trade may be established through participation in discussions of illegal activities at trade associations or other meetings.

Laws applicable to restraints on trade are complex, so consult your supervisor, the Compliance Officer or the Legal Department if you believe a violation of this section of the Code has occurred.

18. POLITICAL CONTRIBUTIONS AND ACTIVITIES

Nuvelo encourages you to vote and to be as involved in the political process as you desire to be. Nuvelo will not reward or punish you, or threaten to punish you, as a result of your personal political beliefs or your personal political activities that are conducted on personal time outside of Nuvelo's facilities.

The amount and type of political contributions that can be made and political activities that can be conducted by Nuvelo are subject to state, federal, and international laws and regulations. As a result, Nuvelo employees are not permitted to conduct personal political activities during regular work hours or to use Nuvelo equipment or supplies,

including communications systems such as the phone, fax, and email systems, for personal political activities. In addition, Nuvelo will not reimburse employees for any costs, fees, or donations associated with personal political activities. Only employees who are authorized to make political contributions and engage in political activities on behalf of and in the name of Nuvelo, are permitted to do so.

19. ADVERTISING AND PROMOTIONAL STANDARDS

The advertising and promotion of pharmaceutical products is regulated by the United States Food and Drug Administration, the United States Department of Health and Human Services, and other international, federal, and state regulatory agencies. Nuvelo is committed to complying with all laws, rules, and regulations in this area. For further information, please refer to the Nuvelo Communications Policy.

20. COMPLIANCE WITH LAWS AND REGULATIONS

Each employee has an obligation to comply with all laws, rules, and regulations applicable to Nuvelo. These include many of the laws, rules, and regulations referenced in other sections of this Code, including, without limitation, laws covering bribery and kickbacks, copyrights, patents, trademarks and trade secrets, information privacy, insider trading, 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, misuse of corporate assets, and laws, rules, and regulations promulgated by the United States Food and Drug Administration and similar regulatory bodies in foreign jurisdictions. You are expected to understand and comply with all laws, rules, and regulations that apply to your job position. Your participation in Nuvelo compliance training programs related to your work is mandatory.

If any doubt exists about whether a course of action is lawful or permitted under this Code, you should seek advice from your supervisor first, and if your question is still not answered or you do not feel comfortable discussing the matter with your supervisor, you should seek advice from Nuvelo's Compliance Officer.

21. WAIVERS OF THE CODE

Waivers of this Code will be granted only in extraordinary circumstances. Waivers of this Code for employees may be made only by an executive officer of Nuvelo. Any waiver of this Code for our directors, executive

officers, or other principal financial officers may be made only by our Board of Directors and will be disclosed to the public as required by law or the rules of the Nasdaq National Market.

CONCLUSION

This Code of Business Conduct and Ethics contains general guidelines for conducting the business of Nuvelo consistent with the highest standards of business ethics. This Code is our “code of ethics” within the meaning of Section 406 of the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder. Nuvelo reserves the right to amend, supplement, or discontinue this Code without prior notice, at any time. If you have any questions about these guidelines, please consult Nuvelo’s Employee Handbook and your supervisor first. If you still have questions or are not comfortable discussing any matter with your supervisor, please contact Nuvelo’s Compliance Officer. We expect all Nuvelo employees to adhere to these standards.