

**SOLEXA, INC.
CODE OF CONDUCT**

ADOPTED APRIL 28, 2004

INTRODUCTION

It is Solexa, Inc.'s ("Solexa") policy to conduct all of its activities in accordance with the highest principles of ethics. Although our organization requires employees, consultants and directors to serve numerous functions, we believe we should follow certain business practices and principles of behavior throughout our operations. This Code is intended to serve as a guide to help us maintain the highest ethical and professional standards in each of our Solexa relationships.

The Code is not exhaustive. The Code addresses certain behaviors that are particularly important, but these are only part of our overall commitment to the proper treatment of, and dealings with, our coworkers, customers, contractors, vendors, competitors, federal, state, local and foreign governments stockholders and members of the community. Since the Code depends on the honesty, fairness and integrity brought to the job by every person in the organization, each of us has a critical role to play.

This Code applies to all employees and directors of, and consultants to, Solexa and its subsidiaries.

1. LEGAL COMPLIANCE

Obedying the law, both in letter and in spirit, is the foundation of this Code. Our success depends upon each person's operating within legal guidelines and cooperating with local, national and international authorities. We expect employees to understand the legal and regulatory requirements applicable to their business unit and area of responsibility. If you do have a question in the area of legal compliance, it is important that you seek answers from your supervisor or the Audit Committee of the Board of Directors (the "Audit Committee").

Disregard of the law will not be tolerated. Violation of domestic or foreign laws, rules and regulations may subject you, as well as Solexa, to civil and/or criminal penalties. 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.

2. RESPECT FOR PEOPLE AND NONDISCRIMINATION

You are critical to the success of Solexa, and our policy is to treat you with fairness and respect.

Solexa is an equal opportunity employer. We do not tolerate discrimination against applicants or employees based on race, religion, gender, age, marital status, national origin, sexual orientation, citizenship status, or disability. We prohibit discrimination in decisions concerning recruitment, hiring, compensation, benefits, training, termination, promotions, or any other condition of employment or career development.

We are committed to providing a work environment that is free from discrimination and/or harassment of any type. We will not tolerate the use of discriminatory slurs; unwelcome, unsolicited sexual advances or harassment; or any other remarks, jokes or conduct that create or foster an offensive or hostile work environment. Each person, at every level of the organization, must act with respect and civility toward customers, coworkers and outside firms.

3. MAINTENANCE OF CORPORATE BOOKS, RECORDS, DOCUMENTS AND ACCOUNTS

Each employee must ensure that all Solexa documents are completed accurately, truthfully, in a timely manner, and, when applicable, are properly authorized.

Financial activities are to be recorded in compliance with all applicable laws and accounting practices. To ensure that accurate financial and administrative information is maintained, you should not permit or take any action that would result in the inaccurate recording of entries in Solexa's books, records and ledgers. 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 sales and other commercial transactions be reflected accurately in the documentation for those transactions and our books and records reflect such documentation and be accurate and complete;
- All employees comply with our system of internal controls; 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 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 Securities and Exchange Commission (the "SEC"). These reports must provide full, fair, accurate, timely and understandable disclosure and fairly present our financial condition and results of operations in all material respects. All persons 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 Solexa 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 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 statements and 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 statements and 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 statements and reports accurate in all material respects.

Any person who becomes aware of any departure from these standards has a responsibility to report his or her knowledge promptly to a supervisor, the Audit Committee or one of the other compliance resources described in Section 17.

4. QUESTIONABLE PAYMENTS

No person may participate in any way in bribes, unlawful or unethical commissions or other receipts or payments of Solexa or other funds, or in maintaining any unrecorded cash or non-cash funds or assets for the purpose of any unlawful or unethical bribes, commissions or other receipts or payments.

5. HONESTY WITH REGULATORS AND OTHER GOVERNMENT OFFICIALS

Because Solexa is subject to a variety of government regulations, particular care must be taken to ensure that no inaccurate or misleading reports, certifications, claims or statements are made to any government agency or official.

Any attempt, or activity that could be perceived as an attempt to improperly influence government officials and employees to obtain or reward favorable treatment must be avoided.

6. CONFLICTS OF INTEREST

To maintain the highest degree of integrity in the conduct of Solexa's business and to maintain your independent judgment, you should avoid any activity involving personal interest that creates a conflict between your interests and the interests of Solexa. A conflict of interest is defined as any situation in which a person has two or more duties or interests that are mutually incompatible and may tend to conflict with the proper and impartial discharge of that person's duties, responsibilities or obligations to Solexa.

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 or the Audit Committee. Factors you should consider in evaluating a potential conflict of interest include:

- Could my outside business or financial interests adversely affect my job performance or my judgment on behalf of Solexa?

- Could my outside business or financial interests adversely affect the job performance or judgment of others with whom I work?
- Can I reasonably conduct my activity outside of normal work hours?
- Will I be using Solexa equipment, materials or proprietary or confidential information in my activities?
- Could the activity have any potential adverse or beneficial impact on Solexa's business or its relationships with customers, partners, suppliers or other service providers?
- Could the activity enhance or support a competitor's position?
- Could the activity result in financial or other benefit (direct or indirect) to me or one of Solexa's customers, partners, suppliers or other service providers?
- Could the activity appear improper to an outside observer?

The following are examples of situations that may, depending on the facts and circumstances, involve problematic conflicts of interests:

- **Employment of a Solexa employee by (including consulting for) or service on the board of a competitor, customer or supplier or other service provider.** Activity that enhances or supports the position of a competitor is prohibited. As such, employment of an employee by or service on the board of a customer or supplier or other service provider is generally discouraged and you must seek authorization in advance if you would like to take such a position.
- **Owning, directly or indirectly, a significant financial interest in any entity that does business, seeks to do business or competes with Solexa.** As a general rule of thumb, a significant interest would be greater than 5% of securities or other beneficial interest in a company or other business.
- **Soliciting or accepting gifts, favors, loans or preferential treatment from any person or entity that does business or seeks to do business with us.** See Section 7 for further discussion of the issues involved in this type of conflict.
- **Soliciting contributions to any charity or for any political candidate from any person or entity that does business or seeks to do business with us.**
- **Taking personal advantage of 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 Solexa or through your use of corporate property or information, unless authorized by your supervisor or the Solexa Audit Committee, as appropriate.

- **Conducting Solexa business transactions with your family member, significant other or person who shares your household or a business in which you have a significant financial interest.**

Loans to, or guarantees of obligations of, you or your family members, by Solexa 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. As a result, all loans and guarantees by Solexa must be approved by the Audit Committee.

In general, any transaction constituting a conflict of interest must be approved by your supervisor or the Audit Committee. A transaction involving an executive officer (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, to the extent permitted by applicable regulatory and Nasdaq rules and will be disclosed to stockholders as required by applicable laws, rules and regulations.

7. GIFTS AND ENTERTAINMENT

Giving or receiving gifts to an existing or potential customer, supplier or competitor may be construed as attempts to influence the performance of duties or to favor certain individuals or companies. Neither you nor any member of your immediate family may request, accept or give any gifts in connection with our business other than small, limited gifts and consumables up to a \$200 value without the approval of a senior vice president or other executive officer. This includes gifts, payments, consulting fees, loans, travel or other benefits of value received directly or indirectly from any existing or potential customer, supplier or competitor. You may offer or accept gifts of a nominal or token value motivated by commonly accepted business courtesies. However, any gift that could create an obligation to the donor or recipient, or influence the business relationship with the donor or recipient, should not be accepted or offered.

Under some statutes, giving anything of value to a local, state, federal or foreign government official to obtain or retain business or favorable treatment is a criminal act subject to prosecution and conviction. Discuss with your supervisor or the Audit Committee any proposed entertainment or gifts if you are uncertain about their appropriateness.

Appropriate business entertainment of non-government employees occurring in connection with business discussions or the development of business relationships is generally deemed appropriate in the conduct of official business. For example, it is an acceptable practice for you to provide or accept an occasional meal or outings with vendors or customers, if there is a valid business purpose involved and the expense is not extravagant. Entertainment in any form that would likely result in a feeling or expectation of personal obligation should not be extended or accepted.

8. COMPETITION

Solexa's activities are governed by federal and state antitrust and trade regulation statutes. There are many types of activities that may, in some cases, be violations of federal and state antitrust laws. For example, various activities, the effect or intent of which is to fix prices, allocate markets, or otherwise reduce competition, may violate the antitrust laws. Such activities may include certain types of discussions, meetings or arrangements with the Solexa's competitors, agreements, (whether formal or informal, written or oral), or any joint activity involving Solexa and any other party.

Competitive information must be gathered with care. We must conduct all interactions with competitors, including social activities, as if they were completely in the public view, because they may later be subject to examination and unfavorable interpretation. If you have any questions about whether it is appropriate to obtain particular information, contact your supervisor or the Audit Committee.

9. CONFIDENTIAL INFORMATION

Much of the information we use is confidential, privileged, proprietary or of competitive value to Solexa. This confidential information may have been developed by us or may belong to others, and we are required to keep it confidential. In both instances, you must be careful to guard against disclosure of the information to any individuals outside Solexa. In addition, in the course of serving our customers, you may learn confidential or proprietary information about them. It is equally important that you guard against the disclosure of our customers' confidential information.

You must exercise the utmost care when dealing with confidential information. All Solexa emails, voicemails and other communications are presumed confidential and should not be forwarded or otherwise disseminated to individuals outside of Solexa, except where required for Solexa-related business reasons.

Your obligation to treat certain information as confidential does not end when you leave Solexa. You may not disclose any confidential information to a new employer or to others after ceasing to be a Solexa employee, director or consultant.

10. INSIDER TRADING AND USE OF COMPANY OR CLIENT INFORMATION FOR PERSONAL GAIN

No person who has access to confidential (or "inside") information is 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 Solexa or about companies with which we do business is considered confidential information. Using material non-public information to buy or sell securities, including "tipping" others who might make an investment decision based on this information, is not only unethical, it is illegal. You must exercise the utmost care when handling material inside information. We have adopted a separate Insider Trading Policy to which you are bound. You should consult the Insider Trading Policy for more specific information on the definition of "material inside information" and on buying and selling our securities or securities of companies with which we do business.

11. MEDIA/PUBLIC DISCUSSION

It is our policy to disclose to the public all material information concerning Solexa through channels such as press releases so that those who have an interest in Solexa and our securities will have equal access to the information. At the same time, we must be prudent in our dealings with the media. Unless you are a designated spokesperson or are otherwise authorized to speak on behalf of Solexa, you should not communicate with the media or in other public forums.

12. CORPORATE CITIZENSHIP

Solexa supports and encourages your involvement in community activities and professional organizations, including Solexa-sponsored charitable activities and fundraisers. Involvement with these types of activities, however, should not adversely affect attention to Solexa duties or the quality of work performed for Solexa.

13. INTERNATIONAL BUSINESS

You are expected to comply with the laws in all countries in which we operate. The fact that in some countries certain laws prohibiting particular conduct are not enforced in practice, or that violation is not subject to public criticism or censure, will not excuse noncompliance. You also must comply strictly with United States laws and regulations applicable to the conduct of business outside the United States.

14. USE OF COMPANY TECHNOLOGICAL RESOURCES

It is extremely important that you take all necessary measures to ensure the security of your computer and any computer or voicemail passwords. You must not include sensitive or confidential information in any messages that are widely distributed or sent outside Solexa unless you use Solexa-approved security techniques. If you have any reason to believe that your password or the security of a Solexa technological resource has been compromised, then you must change your password immediately and report the incident to your manager and the system administrator.

Whenever you use a Solexa computer or communications resource to send e-mail, voicemail or to access Internet services, remember that you are acting as a representative of Solexa. Your use of Solexa resources could reflect poorly on Solexa, damage our reputation, and expose you personally and Solexa to legal liability. In addition, all e-mail, voicemail and personal files stored on Solexa computers are Solexa's property. You should therefore have no expectation of privacy in connection with these resources.

The use of technological resources must be consistent with all other Solexa policies, including those relating to sexual harassment, privacy, patents, copyrights and trademarks. You are prohibited from using Solexa's technological resources to transmit, display, store, publish or purposely receive pornographic, obscene or sexually explicit material.

15. COMPANY ASSETS

We all have a duty to safeguard Solexa's assets, including our physical facilities and equipment, computers, computer software, records, customer information, manpower, and Solexa names and trademarks. Solexa assets should be used for Solexa business only.

All Solexa purchases should be made strictly on the basis of quality, suitability, service, price and efficiency. We should treat our suppliers fairly and equitably. It is Solexa policy to award orders and contracts on the basis of merit and without favoritism.

16. WAIVERS

Any waiver of this Code requires approval of the Audit Committee. Any waiver with respect to 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, to the extent permitted by applicable regulatory and Nasdaq rules and will be disclosed to stockholders as required by applicable laws, rules and regulations.

17. COMPLIANCE WITH THE CODE OF CONDUCT

To facilitate compliance with this Code, we have implemented a program of code awareness, training and review. The Audit Committee oversees this program and you can address any questions or concerns to such committee.

In addition to answering questions or concerns regarding this Code, the Audit Committee is responsible for:

- investigating possible violations of the Code;
- training new persons in our organization in Code policies;
- conducting annual training sessions and distributing copies of the Code annually to each person with a reminder that they are responsible for reading, understanding and complying with the Code;
- updating the Code as needed and alerting persons in our organization to any updates to reflect changes in the law, Solexa operations and in recognized best practices; and
- otherwise promoting an atmosphere of responsible and ethical conduct.

In addition, we have also adopted a Whistleblower Policy which provides for the receipt, retention and investigation of complaints of any suspected misconduct, illegal activities or fraud, including any questionable accounting, internal accounting controls and auditing matters, or other violations of federal and state laws or of this Code. Each employee has a responsibility to promptly report any suspected misconduct, illegal activities or fraud, including any questionable accounting, internal accounting controls and auditing matters, or other violations of federal and

state laws, rules or regulations or of the Code in accordance with the provisions of this Code, the Company's Whistleblower Policy and/or any other such policy adopted by the Company.

Your most immediate resource for any matter related to the 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 Audit Committee.

Employees may anonymously report a suspected violation to our compliance website at solexacompliance@solexa.com. 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. The complaint procedure is specifically designed so that employees have a mechanism that allows the employee bypass a supervisor he or she believes is engaged in prohibited conduct under this policy. Anonymous reports should be factual instead of speculative or conclusory, and should contain as much specific information as possible to allow the Audit Committee and other persons investigating the report to adequately assess the nature, extent and urgency of the investigation. Employees should realize that if an anonymous complaint cannot be properly investigated without additional information, we may have to close the matter for lack of sufficient information.

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 Audit Committee; even the appearance of impropriety can be very damaging and should be avoided.

Supervisors must promptly report any complaints or observations of Code violations to the Audit Committee. The Audit Committee 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.

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 any person 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.

SOLEXA, INC.

WHISTLEBLOWER POLICY

Statement of Policy

SOLEXA, INC. (the “*Company*”) is committed to providing a workplace conducive to open discussion of our business practices and is committed to complying with the laws and regulations to which we are subject, as well as our Code of Conduct (our “*Code*”). Accordingly, the Company will not tolerate conduct that is in violation of such laws, regulations or our Code. Each employee has a responsibility to promptly report any suspected misconduct, illegal activities or fraud, including any questionable accounting, internal accounting controls and auditing matters, or other violations of federal and state laws or of our Code in accordance with the provisions of this policy. In order to facilitate the reporting of employee complaints regarding suspected violations of this policy, the Audit Committee of our Board of Directors (the “*Audit Committee*”) has established procedures for (i) the submission by employees of suspected violations and (ii) the receipt, retention and treatment of these complaints.

Policy of Non-Retaliation

It is our policy to comply with all applicable laws that protect our employees against unlawful discrimination or retaliation as a result of their lawfully reporting information regarding, or their participation in investigations involving, corporate fraud or other violations of federal and state law or violations of our Code by the Company or its agents. Specifically, our policy is designed to prevent employees from being subject to disciplinary or retaliatory action by the Company or any of its agents or employees as a result of an employee’s:

- disclosing information to a government or law enforcement agency or a representative of the Company, where the employee has a good-faith, reasonable belief that the information demonstrates a violation or possible violation of a federal or state law, rule or regulation;
- providing information, filing, testifying or participating in a proceeding filed or about to be filed, or otherwise assisting in an investigation or proceeding regarding any conduct that the employee reasonably and in good faith believes involves a violation or possible violation of a federal or state law, rule or regulation; or
- providing information to the Company’s representatives or other persons where the employee has a good-faith, reasonable belief that the information discloses a violation or possible violation of our Code.

If any employee believes he or she has been subjected to any discrimination or retaliation or other action by us or our agents for reporting suspected violations in accordance with this policy, he or she may file a complaint with our Audit Committee by following the procedures set forth below under the heading “Method of Reporting Complaints.” If it is determined that an employee has experienced any improper employment action in violation of this policy, we endeavor to promptly take appropriate corrective action.

However, employees who file reports or provide evidence which they know to be false or without a reasonable belief in the truth and accuracy of such information will not be protected by this policy and may be subject to disciplinary action, including termination of employment. Employees who violate the confidentiality of Company trade secrets or Company attorney-client privilege may not be entitled to protection under this policy. Accordingly, if your actions bring you into contact with individuals or organizations, such as the government, you should be careful not to violate your confidentiality obligations to the Company. You will not be violating Company trade secrets or Company attorney-client privilege if your complaint is made to the Audit Committee in the manner described below.

Method of Reporting Complaints

The Audit Committee is responsible for administering this policy and has established a procedure under which suspected violations of this policy, including complaints regarding questionable accounting, internal accounting controls or auditing matters may be reported anonymously and confidentially. Employees may anonymously report a suspected violation to our compliance website at solexacompliance@solexa.com. Complaints regarding retaliation for reporting violations of this policy may also be reported by this method.

If a complaining employee wishes to disclose his or her identity, the employee may do so. Confidentiality of the employee submitting the complaint will be maintained to the fullest extent possible, consistent with the need to conduct an adequate investigation. In the course of any investigation, we may find it necessary to share information with others on a “need to know” basis.

Employees should make every effort to report their concerns using one or more of the methods specified above. The complaint procedure is specifically designed so that employees have a mechanism that allows the employee to bypass a supervisor he or she believes is engaged in prohibited conduct under this policy. Anonymous reports should be factual instead of speculative or conclusory, and should contain as much specific information as possible to allow the Audit Committee and other persons investigating the report to adequately assess the nature, extent and urgency of the situation. Employees should realize that if an anonymous complaint cannot be properly investigated without additional information, we may have to close the matter for lack of sufficient information.

Policy for Receiving and Investigating Complaints

Upon receipt of a complaint, the Audit Committee will determine whether the information alleged in the complaint alleges or contains allegations that might constitute a violation of this policy. The Audit Committee shall be notified promptly of complaints determined to involve accounting, internal accounting controls and auditing concerns. The Audit Committee will, to the extent it deems appropriate, appoint one or more internal and/or external investigators to promptly and fully investigate the complaint, under the supervision of the Audit Committee, or, in the case of complaints alleging accounting, internal accounting controls and auditing concerns, under the supervision and oversight of the Audit Committee or such other persons as the Audit Committee determines to be appropriate under the circumstances. The Audit Committee will confidentially inform the reporting person (if his or her identity is known)

that the complaint has been received and, to the extent appropriate, provide him or her with the name of, and contact information for, the investigator assigned to the complaint.

If the investigation confirms that a violation of this policy has occurred, we will promptly take appropriate corrective action with respect to the person(s) involved, including possible termination of such person(s), and will also take appropriate steps to correct and remedy any violation of this policy.

Retention of Complaints

The Audit Committee will maintain a log of all complaints, tracking their receipt, investigation and resolution. Each member of the Audit Committee and, at the discretion of the Audit Committee, other personnel involved in the investigation of complaints, shall have access to the log. Copies of the log and all documents obtained or created in connection with any investigation will be retained for a period of three years.