

Code of Ethics for Senior Officers

Preface

Senior Officers (including for this purpose the Chief Executive Officer, the Chief Operating Officer, the Finance Director, Heads of Finance and corporate finance staff) hold vital roles in corporate governance. Each Senior Officer has the responsibility and authority to protect, balance, and preserve the interests of all shareholders, clients, employees and suppliers. Senior Officers carry out this responsibility by prescribing and enforcing the policies and procedures employed by SkyePharma and by demonstrating the following:

Honest and Ethical Conduct

Senior Officers will demonstrate and promote the highest standards of honest and ethical conduct. Specifically each Senior Officer will:

- act with integrity, including being honest and candid while still maintaining the confidentiality of Company information.
- encourage and reward professional integrity in the operation of SkyePharma's activities, by eliminating inhibitions and barriers to responsible behaviour, such as coercion, fear of reprisal and alienation.
- avoid the appearance or occurrence of conflicts wherever possible between what is in the best interest of SkyePharma and what could result in material personal gain for a member of the finance function, including Senior Officers.
- provide a mechanism for members of the finance function to inform senior management of deviations in practice from policies and procedures governing honest and ethical behaviour.
- demonstrate their personal support for such policies and procedures through periodic communication reinforcing these ethical standards throughout the finance function.

Financial Records and Periodic Reports

Senior Officers will establish and manage the enterprise transaction and reporting systems and procedures to ensure that the contents of the disclosure in the reports and documents and other public communication that the Company prepares should be full, fair, accurate, timely and understandable in accordance with applicable disclosure standards, including standards of materiality, when appropriate officers will ensure that:

- business transactions are properly authorised and fully and accurately recorded on the Company's books and records in accordance with Generally Accepted Accounting Principles (GAAP) and established Company policy.
- the retention or proper disposal of Company records shall be in accordance with established and applicable legal and regulatory requirements.
- periodic financial communications and reports will be delivered in a manner that facilitates the highest degree of clarity of content and meaning so that readers and users will quickly and accurately determine their significance and consequence.

In addition each Senior Officer must:

- not knowingly misrepresent facts about SkyePharma to others, whether within or outside SkyePharma, including to SkyePharma's independent auditors, governmental regulators, self-regulating organisations and other governmental officials, as appropriate.

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- In relation to his or her area of responsibility, properly review and critically analyse proposed disclosure for accuracy and completeness.
- Familiarise himself or herself with the disclosure requirements applicable to SkyePharma as well as the business and financial operations of SkyePharma.

Compliance with Applicable Laws, Rules and Regulations

Senior Officers will:

- adhere to the standards and restrictions imposed by applicable laws, rules and regulations, including those relating to accounting and auditing matters.
- educate members of the finance function and management generally about all applicable laws, regulations and administrative procedures that affect the operation of the finance function and the enterprise generally.
- monitor the compliance of the finance function in respect of all applicable laws, regulations and administrative procedures.
- identify, report and correct in a prompt and clear manner, any detected departure from applicable laws, regulations and administrative procedures.

Reporting and Accountability

The Board of Directors of SkyePharma is responsible for applying this Code to specific situations in which questions are presented to it and has the authority to interpret this Code in any particular situation. Any Senior Officer who becomes aware of any existing or potential breach of this code is required to notify the Finance Director and the Company Secretary promptly. Failure to do so is itself a breach of this Code.

Specifically, each Senior Officer must:

- Notify the Finance Director and the Company Secretary promptly of any existing or potential violation of this Code.
- Not retaliate against any employee or Senior Officer for reports of potential violations that are made in good faith (see Complaints and Whistleblowing Procedure).

The Board of Directors shall take all action it considers appropriate to investigate any breaches reported to it. If a breach has occurred, SkyePharma will take such disciplinary or preventive action as the Board of Directors deems appropriate, after consultation with the Audit Committee.

Waivers

Senior Officers should note that it is not SkyePharma's intention to grant or to permit waivers from the requirements of this Code. Senior Officers should note that SkyePharma expects full compliance with this Code.