

TARGETED GENETICS CORPORATION

CODE OF CONDUCT

Introduction

We are committed to maintaining the highest standards of business conduct and ethics. This Code of Conduct reflects the business practices and principles of behavior that support this commitment. Our Board of Directors is responsible for setting the standards of conduct contained in this Code and for updating these standards as appropriate to reflect legal and regulatory developments. 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.

You should not hesitate to ask questions about whether any conduct may violate the Code, voice concerns or clarify gray areas. In addition, you should be alert to possible violations of the Code by others and report suspected violations, without fear of any form of retaliation. Violations of the Code will not be tolerated. We will hold each of our employees, officers and directors accountable for adherence to this Code. Those who violate the standards in the 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.

This Code does not describe every practice or principle related to honest and ethical conduct. The following additional policies of the Company supplement or amplify this Code in certain areas and should be read in conjunction with this Code:

- our Insider Trading Policy,
- our Policy Regarding Special Trading Procedures for directors, executive officers and other key employees,
- our Corporate Disclosure Policy,
- our International Business Activities Policy, and
- our Employee Handbook.

Please contact your supervisor or a member of the human resources or legal department or to obtain an additional copy of any of these policies or you can find copies posted on the Company's intranet.

Compliance Officer

We have designated our General Counsel as our Compliance Officer to administer this Code. Employees, officers or directors may, at their discretion, make any report or complaint provided for in this Code to the Compliance Officer. The Compliance Officer will refer complaints submitted, as appropriate, to the Board of Directors or an appropriate committee of the Board of Directors.

Compliance With Applicable Laws

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 business unit and area of responsibility. We hold periodic training sessions to ensure that all employees comply with the relevant laws, rules and regulations associated with their employment. 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.

This Code does not summarize all laws, rules and regulations applicable to the Company or its business. You should consult the various guidelines the Company has prepared on specific laws, rules and regulations, which you can find summarized in the Employee Handbook, including employment laws concerning equal employment and sexual and other types of harassment; immigration laws concerning hiring of documented workers; environmental laws; occupational health and safety laws; food and drug laws; securities laws concerning disclosure requirements and insider trading; and anti-bribery laws including foreign corrupt practices. Please consult with a supervisor, the Compliance Officer or a member of the Company's legal department if you have questions about laws that you think may be applicable to the Company or its business.

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 Targeted Genetics Corporation 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 inside information. We remind you that the Company has adopted a separate Insider Trading Policy and a Policy Regarding Special Trading Procedures for directors, executive officers and other key employees. You should consult these policies 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.

Conflicts Of Interest

A "conflict of interest" may exist whenever the private interests of an employee, officer or director conflict in any way (or even appear to conflict) with the interests of the Company. While our employees, officers and directors should be free to make personal investments and enjoy social relations and normal business courtesies, they must not have any personal interests that adversely influence the performance of their job responsibilities. A conflict situation can arise when an employee, officer or director takes actions or has interests that may make it

difficult to perform his or her Company work objectively. Conflicts of interest may also arise when an employee, officer or director, or a member of his or her family, receives improper personal benefits as a result of his or her position in the Company, whether received from the Company or a third party. Gifts to, loans to, or guarantees of obligations of, employees, officers and directors and their respective family members may create conflicts of interest. Federal law prohibits personal loans from the Company to directors and executive officers.

Conflicts of interest may not always be clear-cut, so if you have a question, you should consult with your supervisor, the Compliance Officer or a member of the Company's legal department. The following are examples of situations that may involve conflicts of interest:

- Employment 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 to the detriment of the Company is prohibited, including employment by or service on the board of a competitor.
- Owning, directly or indirectly, a significant financial interest in any entity that does business, seeks to do business or competes with us.
- Soliciting or accepting gifts, favors, loans or preferential treatment from any person or entity that does business or seeks to do business with us.
- 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.
- Moonlighting without permission.
- Conducting our 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.
- Exercising supervisory or other authority on behalf of the Company over a co-worker who is also a Family Member.

Any employee, officer or director who becomes aware of a conflict or potential conflict should bring it to the attention of a supervisor, the Compliance Officer or a member of the Company's legal department.

Corporate Opportunity

Except as may be approved by the Board of Directors or a committee of independent directors, employees, officers and directors are prohibited from (a) taking for themselves personally any opportunities that belong to the Company or are discovered through the use of corporate property, information or position; (b) using corporate property, information or position for personal gain; and (c) competing with the Company. Even opportunities that are acquired privately by you may be questionable if they are related to our existing or proposed business.

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 may include the existence, nature or results of clinical trials, sensitive information about Company's officers, directors, and employees, research, research projects, technology, records, journals, devices, processes, techniques, substances, drawings, prototype models, photographs, cell lines, test procedure or results, computer programs, business plans, marketing plans, scientific, technical or employee information (including, for example, names, addresses, telephone numbers and social security numbers), existing or future products and services of Company, financial projections, unpublished works of original authorship, supplier and customer lists, financial information, and trade secrets, and similar types of information provided to us by our customers, suppliers and 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' or customers' 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. Unauthorized 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 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 and restaurants. 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.

Fair Dealing

Each employee, officer and director should endeavor to deal fairly with the Company's customers, suppliers, competitors, officers and employees. None should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice. Stealing proprietary information, misusing

trade secret information that was obtained without the owner's consent, or inducing such disclosures by past or present employees of other companies is prohibited. If information is obtained by mistake that may constitute a trade secret or other confidential information of another business, or if you have any questions about the legality of proposed information gathering, you must consult your supervisor or the Compliance Officer.

Protection And Proper Use Of Company Assets

All employees, officers and directors should protect the Company's assets and ensure their efficient use. Theft, carelessness, and waste have a direct impact on the Company's profitability. All Company assets should be used for legitimate business purposes. Of course, incidental personal use may be appropriate for certain Company assets, but you should check with your supervisor to determine what may be appropriate. Employees should be mindful of the fact that we retain the right to access, review, monitor and disclose any information transmitted, received or stored using our electronic equipment, with or without an employee's or third party's knowledge, consent or approval.

Accounting Complaints—Whistleblower Procedures

The Audit Committee of the Board of Directors is responsible for establishing procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters. Employees, officers or directors who have concerns or complaints regarding such matters are encouraged to promptly submit those concerns or complaints to the Audit Committee which, subject to its duties arising under applicable law, regulations and legal proceedings, will treat such submissions confidentially. Such concerns or complaints may be made anonymously. The Company has designated the Compliance Officer to receive such complaints on behalf of the Audit Committee and to bring such complaints to the attention of the other members of the Audit Committee, as appropriate. Such submissions should be made to the Compliance Officer at the principal executive offices of the Company

Reporting Any Illegal Or Unethical Behavior

Employees are encouraged to promptly contact supervisors, the human resources department or the Compliance Officer if you believe that you have observed illegal or unethical behavior by any officer, director or employee or by anyone purporting to be acting on the Company's behalf and, or if you have any doubt, about the best course of action in a particular situation. These reports may be made anonymously. Confidentiality will be protected, subject to applicable law, regulation or legal proceeding.

Enforcement

Any violators of this Code will be subject to disciplinary action. The disciplinary actions will be determined by the Board of Directors depending on the nature and the severity of the violation. The Company intends disciplinary action to reflect our belief that all employees, officers and directors should be held accountable to the standards of conduct set forth in the Code. Accordingly, disciplinary action may include, without limitation, censure by the Board of Directors, demotion, re-assignment, suspension or termination and, in appropriate cases, civil legal action or referral for criminal prosecution.

No Retaliation

The Company will not permit retaliation of any kind against anyone who makes a report or complaint in good faith that a violation of this Code or other illegal or unethical conduct has occurred.

Public Company Reporting

As a public company, it is of critical importance that the Company's filings with the Securities and Exchange Commission be full, fair, accurate, timely and understandable. Depending on their respective positions with the Company, employees, officers or directors may be called upon to provide information necessary to assure that the Company's public reports meet these requirements. The Company expects employees, officers and directors to take this responsibility very seriously and to provide prompt and accurate answers to inquiries related to the Company's public disclosure requirements. The Company has formed a Disclosure Committee to oversee the preparation and review of public disclosure documents. The members of the Disclosure Committee will change from time to time, but will generally consist of certain key managers and may include our legal counsel. You must be especially responsive to inquiries and requests from members of our Disclosure Committee.

Reporting By Supervisors

When a supervisor receives reports of violations or questionable behavior pursuant to the Code, that supervisor shall be responsible for bringing such reports to the attention of his or her supervisor, the Compliance Officer or to the Audit Committee, as appropriate, in accordance with the reporting procedures contained in the Code. Supervisors must endeavor to honor any confidentiality or anonymity requests made by the reporting person, subject to applicable law, regulation or legal proceedings.

Amendment, Modification And Waiver

This Code may be amended, modified or waived by the Board of Directors or an appropriate Committee thereof, subject to the disclosure and other provisions of the Securities Exchange Act of 1934, and the rules thereunder and the applicable rules of the Nasdaq Stock Market.