

SURMODICS, INC.

***CODE OF ETHICS
AND
BUSINESS CONDUCT***

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Our Code of Ethics and Business Conduct

Introduction

The mission of SurModics, Inc. is to enhance the success of our customers, and ultimately the health of patients, by providing the world's foremost, innovative surface-modification and biointerface technologies and products. In achieving that mission, we are guided by these principles:

- A commitment to the highest standards of scientific excellence, innovation and integrity.
- A commitment to being an industry leader.
- A commitment to understanding and anticipating the changing needs of our customers as we strive to exceed their expectations.
- A commitment to building a culture that fosters integrity, commercial honor, open communication, mutual respect and an appreciation of personal contributions.
- A commitment to supporting our extended communities.
- A commitment to creating long-term value for our shareholders.

Further, ethical business practices provide a critical foundation for our success and continuation of our good reputation in the industry and community. Integrity in the manner in which we manage and operate SurModics is a key element in our corporate culture. We place a high value on honesty and fair dealing, operating our business in a culture of mutual respect and the highest standards of professionalism. We expect our officers, employees and directors to exhibit such attributes at work as well as in activities outside of work.

The following Code of Ethics and Business Conduct ("Code") is designed to help you understand what we expect of our employees, officers and directors. It does not cover every ethical issue, but the basics are here to help your general understanding. For employees, compliance with the Code is a condition of employment. This Code supplements and does not replace or modify our other policies or procedures, including provisions of current Employee Reference Guide and other statements of policy or procedure issued from time to time.

Although we believe we have created a culture that encourages direct employee resolution of many issues, we are aware that in some circumstances management may need to be involved. This Code is intended to help guide employees and management. We encourage open communications regarding any possible violation of our ethical principles and business practices. If a potential course of action seems questionable, please seek guidance from your supervisor or our Human Resources Manager.

Compliance With The Law

SurModics, its employees and directors shall comply with all applicable laws and regulations as well as our policies. It is everyone's responsibility to know and understand legal and policy requirements as they apply to his or her responsibilities.

Improper Payments

No bribes, kickbacks, or other payments for illegal purposes shall be made to or for the benefit of government employees or officials, customers, or others. This policy extends not only to direct payments, but also to indirect payments made in any form through consultants or other third parties. All activities that might constitute lobbying or attempts to influence government officials must first be reviewed with and approved by our Chief Financial Officer or Human Resources Manager.

Gifts and Business Courtesies

Employees, officers and directors may exchange only non-monetary and modestly-valued gifts that promote goodwill with our business partners and do not improperly influence others. We will accept only approved and widely available discounts, rebates and related items and do not encourage, accept or exchange gratuities or payments for providing services to others.

The giving of gifts to government officials in all countries is generally prohibited. The same is true regarding gifts to procurement officials in commercial companies. An exception is made in some countries for gifts which are modest in amount, recognized as a custom of the trade, and which could in no way cause SurModics to be embarrassed or obligated.

Business courtesies such as meals, transportation, and entertainment provided to a customer must be modest in amount and related to a legitimate business purpose (*e.g.*, explanation or demonstration of SurModics products, application of products, service capabilities, or training).

Recordkeeping

Our books, records, accounts and financial statements must appropriately and accurately reflect our transactions and conform to applicable legal requirements and our system of internal controls. In particular, SurModics is committed to full, fair, accurate, timely and understandable disclosure in all reports filed with the Securities and Exchange Commission (SEC) and in other public communications. Each person subject to this Code is required to provide truthful, complete and timely information in support of this commitment. In addition, an employee, officer or director must not destroy, alter, falsify or cover up documents with the intent to impede or obstruct any investigation of suspected wrongdoing.

Directors, officers and employees must not participate in any misstatement of our accounts, and they must avoid improper influence on the conduct of an audit. All arrangements or requisition contracts under which funds are disbursed shall accurately state the purposes for which these funds are paid and shall not be misleading.

Business records and communications often become public and you are expected to avoid exaggeration, derogatory remarks, guesswork or inappropriate characterizations of individuals or companies that could be misunderstood. This obligation applies in any communication, including, but not limited to e-mail, internal memoranda and formal reports. Records are expected to be retained or destroyed according to our record retention policies. In the event of litigation or governmental investigation you are expected to consult our Chief Financial Officer or Human Resources Manager concerning the records you hold.

Fair Dealing; Antitrust/Competition Laws

Each SurModics employee, officer and director should endeavor to deal fairly with our customers, suppliers and competitors. No one should take unfair advantage through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other intentional unfair dealing.

Antitrust laws in the U.S. and competition laws outside the U.S. exist to ensure free and open competition in the marketplace, a principle that SurModics fully supports. Violation of these laws can result in civil liability and criminal penalties for SurModics and personal fines and jail time for its employees. These laws are complex and, consequently, employees may not take any collaborative action with a competitor, or take any action that could have an improper anti-competitive effect, without prior advice from our Chief Financial Officer or Human Resources Manager. Examples of prohibited conduct include:

- Agreements or understandings with competitors, either directly or through others, to fix prices, divide customers or territories, or restrict sales;
- Exchange of pricing or other proprietary information with competitors; and
- Illegal tying of the purchase of one product that a customer wants to another product the customer does not, illegal price discrimination or refusals to deal.

SurModics management is expected to maintain basic familiarity with the principles and purposes of the antitrust laws as they apply to SurModics business, and to abstain from any activities that might violate or create any appearance of intention to violate such laws. SurModics employees are expected to understand the antitrust principles that apply to their activities.

Conflict Of Interest

Our employees owe a duty of undivided business loyalty to SurModics. This duty is breached when an employee engages in activities that cause a conflict of interest. Conflicts of interest may arise when employees are influenced by considerations of gain or benefit for themselves or their family members which conflict with their obligation to serve our best interest. Anything that would be a conflict of interest for an employee may also be a conflict of interest if it involves a family member. Employees are generally free to engage in outside activities of their choice. It is important, however, that such activities do not adversely affect our business, involve misuse of a company position or resources, divert for personal gain any business opportunity from which SurModics may profit, or constitute a potential source of discredit to our name.

Conflicts of interest can take many forms, not all of which can be addressed by this Code. The following are examples of conflicts of interest:

- Consulting with or employment by a competitor, supplier, or customer of SurModics;
- Holding a substantial equity, debt, or other financial interest in any competitor, supplier, or customer;
- Having a financial interest in any transaction involving the purchase or sale by SurModics of any products, materials, equipment, services, or property, other than through company-sponsored programs;
- Misusing our confidential or proprietary information, including the unauthorized disclosure or use of such information;
- Receiving loans or guarantees of obligations from the Company without Board of Directors authorization; or
- Using employees, materials, equipment, or other assets of SurModics for any unauthorized purpose.

Each employee is responsible for avoiding conflicts of interest as well as the appearance of such conflicts. Employees who are unsure whether they are involved in a conflict of interest or whether an action might create a conflict of interest should discuss the issue with their supervisor or our Human Resources Manager.

Our directors also owe SurModics a duty of loyalty. The duty of loyalty mandates that the best interests of SurModics and its shareholders take precedence over any interest possessed by a director not shared by the shareholders generally. In the event that a conflict (or the appearance of a conflict) arises or is anticipated, directors must bring the matter to the attention of the Board of Directors or appropriate committee thereof.

Employees, officers and directors are prohibited (without the specific consent of the Board of Directors or an appropriate committee thereof) from (1) taking for themselves personally opportunities that are discovered through the use of company property, information or their position, (2) using company property, information or their position for personal gain, or (3) competing with SurModics directly or indirectly.

Insider Trading

All SurModics employees are prohibited from engaging in insider trading. Insider trading is trading in SurModics stock while aware of confidential information about us that could, if it became public, affect the stock price. Disclosure of any information to another person, such as a spouse or friend, which would enable them to gain a trading benefit not available to the general public, is prohibited as well. Similar restrictions apply to trading in the stock of other companies using confidential information that an employee has access to because of his or her employment. This conduct is illegal and could subject the employee and SurModics to civil liability and criminal penalties.

All employees, officers and directors must also read, become familiar with and comply with our insider trading policy provided separately from this Code. An employee, officer or director who is unsure how the law applies in a given instance, should seek guidance before he or she trades. All questions should be referred to our Chief Financial Officer or Human Resources Manager.

Intellectual Property And Confidential Information

SurModics invests substantial resources in developing proprietary intellectual property and confidential information. Confidential information is information that is not generally known or readily available to others. SurModics protects its intellectual property by seeking patent, trademark, or trade secret protection. It protects its confidential information by taking precautions to prevent inappropriate disclosure or loss of such information. SurModics respects the intellectual property of others. Employees, officers and directors are obligated to protect our confidential information as well as that of our customers, suppliers and third parties who disclose information to us in confidence.

Confidential information is critical to SurModics' competitive advantage. Confidential information includes, but is not limited to, intellectual property and trade secrets, business plans and information, marketing and sales programs and information, customer and prospective customer information and lists, pricing information and policies, financial information, and any other information which we deem confidential. Confidential information must not be shared with others outside SurModics except pursuant to approved business relationships or as required by law; nor may SurModics employees accept confidential information from third parties, including competitors, without the authorization of an executive officer or our internal licensing counsel.

Regulatory Affairs; Quality

SurModics is committed to maintaining an open, constructive and professional relationship with our customers and their regulators on matters of regulatory policy, submissions, compliance and product performance.

SurModics is committed to producing the highest quality products and to maintaining its reputation for excellence. Each employee is responsible for reporting any concerns that relate to a compromise of quality to management.

Environmental Management

SurModics is committed to doing business in an environmentally responsible manner and will strive to improve its performance to benefit its employees, customers, communities, shareholders, and the environment. All employees are responsible for making sure that SurModics' business is conducted in compliance with all applicable laws and in a way that is protective of the environment.

Safety And Health

SurModics is committed to a safe, healthy work environment that is in compliance with all applicable laws and regulations. All employees are expected to develop a proactive, cooperative attitude toward issues of health and safety.

Productive Work Environment

SurModics is committed to a productive work environment. Key elements for developing such an environment include freedom from harassment in any form, a culture that recognizes and appreciates the advantages of a diverse work force, and a decision process which seeks to ensure that all employees are treated with dignity and respect.

Discrimination on the basis of race, color, religion, sex, sexual orientation, national origin, age, creed, marital status, status with regard to public assistance, membership or activity in a local commission, disability, veteran status, or any other protected classification will not be allowed. This includes discrimination in hiring, training, advancement, transfer, compensation, discipline, layoff, termination, company facilities usage, company-sponsored functions, and all other conditions of employment. Harassment, such as racial or sexual harassment, will not be tolerated and should be reported to the appropriate supervisor or our Human Resources Manager. Please refer to applicable portions of our Employee Reference Guide for guidance related to personal behavior in the workplace.

Corporate Political Activity

SurModics supports everyone's right to participate actively in the political process. No one should, however, solicit contributions for any political party, political committee or candidate for public office during work hours or on SurModics property. No corporate funds, or other corporate assets, may be contributed directly or indirectly to any political party, political committee, or candidate for public office.

Protection and Proper Use of Company Assets

Collectively, employees, officers and directors have a responsibility for safeguarding and making proper and efficient use of our assets as well as those entrusted to us by our customers. Each of us has an obligation to prevent such property from loss, damage, misuse, theft, embezzlement or destruction. We seek to ensure that such equipment, supplies and other assets are used for legitimate business purposes unless otherwise specifically authorized, and to protect all such tangible and intangible property.

Government, Analyst and Media Inquiries

SurModics must be made aware of any inquiries from the government, the financial/analyst community, or the media so that it can properly and thoroughly respond. If a SurModics employee is contacted by a representative of a governmental agency seeking an interview or making a non-routine request for documents, that employee should immediately contact his or

her supervisor or our Human Resources Manager so that appropriate arrangements can be made to comply fully with our legal obligations. All inquiries from the media or financial/analyst community should be referred to our Chief Executive Officer or our Chief Financial Officer.

Public Disclosure of Code and Waivers

The existence and content of this Code will be disclosed to shareholders and may be available on our website. It is expected that waivers of this Code rarely, if ever, would be acceptable. Any waiver of a provision of this Code for executive officers or directors may be granted only by the Board of Directors, with only the independent members voting, or an appropriate Board committee consisting of independent directors, and such waiver must be promptly disclosed to shareholders.

Accountability

Each employee, officer and director must accept responsibility for adherence to this Code. Violations of this Code could expose the employee and SurModics to civil and criminal liability and could harm our reputation and competitive position. Violations will be dealt with promptly and may result in disciplinary measures up to and including the termination of employment. SurModics may, in addition, seek civil recourse against an employee, officer or director and/or refer alleged criminal misconduct to law enforcement agencies.

Reporting Any Suspected Illegal or Unethical Behavior

It is the responsibility of every employee to promptly bring violations and suspected violations of the Code to the attention of his or her supervisor or our Human Resources Manager. Confidentiality will be provided to the limit of the law. If you do not feel it is appropriate to discuss the issue with these persons, SurModics has established a hotline (see below) so that you can report concerns or potential violations anonymously. Callers, which may include non-employees such as suppliers or customers, should supply detailed information to address the concern. The call will go to a third party service supplier that will report details to our Human Resources Manager, our Chief Financial Officer or the Board of Directors or a committee thereof, as appropriate. In particular, complaints regarding our financial and reporting practices will be reported to the Chair of the Audit Committee. Employees at all levels are prohibited from retaliating against or threatening anyone for reporting or supplying information about a policy or conduct concern.

COMPLIANCE HOTLINE

Toll-free and anonymous

1-800-338-9081

Coordination with Other SurModics Policies

The provisions of this Code of Conduct are in addition to, and do not modify, replace or supersede, SurModics' other policies or procedures including, but not limited to, those policies and procedures set forth in SurModics' Employee Reference Guide and SurModics' other statements of policy or procedure, whether written or oral.

Additionally, this Code of Conduct is not intended to be and does not constitute a contract of employment between SurModics and its employees. If you are an employee and do not have an Employment Agreement with SurModics, you are an employee at-will. This means that you have the option of resigning from your employment at any time, for any reason or no reason, with or without prior notice. Conversely, SurModics has the same option to terminate your employment at any time, for any reason or no reason, with or without prior notice.

Monitoring

SurModics intends to conduct periodic training sessions regarding the Code. In addition, SurModics may periodically distribute copies of the Code and the Certification of Compliance card to certain employees, officers and directors to remind such persons of the contents of the Code as well as to reestablish their commitment to compliance with it.

CERTIFICATE OF COMPLIANCE

This Certificate must be read and signed by all employees, officers and directors.

I certify that I have received, read and understood SurModics' Code of Ethics and Business Conduct. I understand what types of conduct violate these policies. I agree to comply with the terms of the Code and understand that if I am an employee, violation of these terms may result in discipline up to and including immediate termination of employment in the discretion of SurModics.

Employee, Officer or Director Signature

Date

Printed Name

Return to:

Human Resources Manager
SurModics, Inc.
9924 West 74th Street
Eden Prairie, MN 55344
(952) 829-2700

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