

**EMERGENT BIOSOLUTIONS INC.
INSIDER TRADING POLICY**

(Adopted September 20, 2006)

1. BACKGROUND AND PURPOSE

The federal securities laws prohibit any member of the Board of Directors (a “Director”) of Emergent BioSolutions Inc. (the “Company”) or employee of the Company from purchasing or selling Company securities on the basis of material nonpublic information concerning the Company, or from disclosing material nonpublic information to others who might trade on the basis of that information. These laws impose severe sanctions on individuals who violate them. In addition, the SEC has the authority to impose large fines on the Company and on the Company’s Directors, executive officers and controlling stockholders if the Company’s employees engage in insider trading and the Company has failed to take appropriate steps to prevent it (so-called “controlling person” liability).

This insider trading policy is being adopted in light of these legal requirements, and with the goal of helping:

- prevent inadvertent violations of the insider trading laws;
- avoid embarrassing proxy disclosure of reporting violations by persons subject to Section 16 of the Securities Exchange Act of 1934;
- avoid even the appearance of impropriety on the part of those employed by, or associated with, the Company;
- protect the Company from controlling person liability; and
- protect the reputation of the Company, its Directors and its employees.

2. PROHIBITION ON TRADING WHILE AWARE OF MATERIAL NONPUBLIC INFORMATION; PROHIBITION ON TIPPING OTHERS

2.1 This Section 2 applies to:

- all Directors;
- all employees;
- all family members of Directors and employees who share the same address as, or are financially dependent on, the Director or employee; and

- all corporations, partnerships, trusts or other entities controlled by any of the above persons.

2.2 No person covered by this Section 2 may:

- purchase, sell, pledge or donate any securities of the Company while he or she is aware of any material nonpublic information concerning the Company;
- disclose to any other person any material nonpublic information concerning the Company if it is reasonably foreseeable that such person may use that information in purchasing or selling Company securities;
- purchase, sell, pledge or donate any securities of another company while he or she is aware of any material nonpublic information concerning such other company which he or she learned in the course of his or her service as a Director or employee of the Company; or
- disclose to any other person any material nonpublic information concerning another company which he or she learned in the course of his or her service as a Director or employee of the Company if it is reasonably foreseeable that such person may use that information in purchasing or selling securities of such other company.

2.3 The prohibition on purchases, sales, pledges and gifts of Company securities while aware of material nonpublic information concerning the Company does not apply to a transaction pursuant to a Rule 10b5-1 trading plan which complies with Section 3.3 of this insider trading policy.

3. **CORPORATE NEWS BLACKOUT PERIODS**

3.1 This Section 3 applies to:

- all Directors;
- all executive officers;
- such other employees as are designated from time to time by the Board, the Chief Executive Officer, the Chief Financial Officer or the General Counsel as being subject to Section 3 (the "Designated Employees");
- all family members of Directors, executive officers and Designated Employees who share the same address as, or are financially dependent on, the Director, executive officer or Designated Employee; and
- all corporations, partnerships, trusts or other entities controlled by any of the above persons.

3.2 No person described in Section 3.1 may purchase, sell, pledge or donate any securities of the Company during the following time periods (each, a “corporate news blackout period”):

- beginning two weeks prior to the end of each fiscal quarter and ending upon the completion of the second full trading day after the public announcement of earnings for such quarter;
- beginning at the time of any public earnings-related announcement or public announcement of a significant corporate transaction or event and ending upon the completion of the second full trading day after such announcement; or
- during such other periods as may be established from time to time by the Board, the Chief Executive Officer, the Chief Financial Officer or the General Counsel in light of particular events or developments affecting the Company.

In addition, no person covered by this Section 3 shall inform a person not covered by this Section 3 that a corporate news blackout period imposed as a result of particular events or developments is in effect.

3.3 The prohibitions on purchases, sales, pledges and gifts of Company securities during corporate news blackout periods do not apply to:

- purchases made under an employee stock purchase plan operated by the Company; provided, however, that the securities so acquired may not be sold during a corporate news blackout period;
- exercises of stock options or the surrender of shares to the Company in payment of the exercise price or in satisfaction of any tax withholding obligations arising from stock option exercises or the vesting of restricted stock, in each case in a manner permitted by the applicable stock option; provided, however, that the securities so acquired may not be sold (either outright or in connection with a “cashless” exercise transaction through a broker) during a corporate news blackout period;
- acquisitions or dispositions of Company common stock under the Company’s 401(k) or other individual account plan which are made pursuant to standing instructions not entered into or modified during a corporate news blackout period;
- purchases of securities from the Company or sales, pledges or gifts of securities to the Company; and
- purchases or sales made pursuant to a binding contract, written plan or specific instruction (a “trading plan”) which is adopted and operated in compliance with Rule 10b5-1; provided such trading plan: (1) is in writing; (2) was submitted to the Company for review by the Company prior to its adoption; and (3) was not adopted during a corporate news blackout period.

4. REGULATION BTR BLACKOUT PERIODS

4.1 This Section 4 applies to:

- all Directors;
- all executive officers;
- all Designated Employees;
- all family members of Directors and executive officers who share the same address as, or are financially dependent on, the Director or executive officer; and
- all corporations, partnerships, trusts or other entities controlled by any of the above persons.

4.2 No person described in Section 4.1 may purchase, sell or otherwise acquire or transfer, during a Regulation BTR blackout period (as defined below) any equity security of the Company if such person acquires or previously acquired such equity security in connection with his or her service or employment as a director or officer of the Company.

4.3 A "Regulation BTR blackout period" means:

- any period of more than three consecutive business days during which the ability of not fewer than 50% of the participants or beneficiaries located in the U.S. (including its possessions and territories) under all individual account plans (as defined under the Employee Retirement Income Security Act of 1974, but excluding a one-participant retirement plan and any plan in which participation is limited to Directors) maintained by the Company to purchase, sell or otherwise acquire or transfer an interest in any equity security of the Company held in such an individual account plan is temporarily suspended by the Company or a fiduciary of the plan; but
- does not include the following periods which the SEC exempts under Section 306(a) of the Sarbanes-Oxley Act: (i) regularly scheduled and timely disclosed periods during which plan participants may not transfer their interests in Company equity securities and (ii) blackout periods imposed in connection with persons commencing or ceasing participation in the plan by reason of a merger, acquisition or divestiture.

4.4 The prohibitions on purchases, sales, acquisitions and transfers of Company equity securities during Regulation BTR blackout periods do not apply to any transactions exempted by the SEC under Regulation BTR from such prohibitions under Section 306(a) of the Sarbanes-Oxley Act.

4.5 If a Regulation BTR blackout period occurs, the Company will provide a notice to the Company's executive officers and Directors providing information relating to the Regulation BTR blackout period, including the beginning date and ending date of the blackout period. A copy of the notice will be filed on Form 8-K on the date such notice is given (unless the Form 8-K rules permit a later filing date).

5. NOTICE OF SECURITIES TRANSACTIONS

5.1 This Section 5 applies to:

- all Directors;
- all executive officers;
- all Designated Employees;
- all family members of Directors and executive officers who share the same address as, or are financially dependent on, the Director and executive officers; and
- all corporations, partnerships, trusts or other entities controlled by any of the above persons.

5.2 No person covered by this Section 5 may purchase, sell or otherwise acquire or dispose of securities of the Company, other than in an exempt transaction (as defined below), unless he or she notifies the Chief Financial Officer or the General Counsel prior to such transaction. For purposes of this Section 5, an "exempt transaction" shall mean:

- an acquisition of shares of Company common stock pursuant to an employee stock purchase plan under Section 423 of the Internal Revenue Code;
- a transaction under a Qualified Plan or Excess Benefit Plan (as defined in Rule 16b-3 under the Securities Exchange Act of 1934) that is exempt under paragraph (c) of such Rule;
- an acquisition of Company securities pursuant to a stock split, stock dividend or pro rata distribution to Company stockholders;
- an acquisition pursuant to a dividend or interest reinvestment plan satisfying the conditions of Rule 16a-11 under the Securities Exchange Act of 1934; and
- an acquisition or disposition of Company securities pursuant to a domestic relations order, as defined in the Internal Revenue Code.

5.3 Each person covered by this Section 5 shall also notify the Chief Financial Officer or the General Counsel of the occurrence of any purchase, sale or other acquisition or disposition of securities of the Company, other than an exempt transaction, as soon as possible following the transaction, but in any event within one business day after the transaction. This notification, which must be in writing, should describe the type of transaction that occurred (an open market purchase, a privately negotiated sale, an option exercise, etc.), the date of the transaction, the number of shares covered by the transaction, the purchase or sale price (if applicable), and whether the transaction was effected by the Director or executive officer or by a relative or affiliated entity. For purposes of this Section 5.3, a purchase, sale or other acquisition or disposition shall be deemed to occur at the time the person becomes irrevocably committed to it; in the case of an open market purchase or sale, this occurs when the trade is executed (not when it settles).

6. OTHER PROHIBITIONS ON TRADING ACTIVITIES

6.1 This Section 6 applies to:

- all Directors;
- all executive officers;
- all Designated Employees;
- all family members of Directors and executive officers who share the same address as, or are financially dependent on, the Director and executive officers; and
- all corporations, partnerships, trusts or other entities controlled by any of the above persons.

6.2 No person covered by this Section 6 may engage in any of the following types of transactions:

- short sales of Company securities, including short sales "against the box"; or
- purchases or sales of puts or calls for speculative purposes.

7. PENALTIES FOR VIOLATION

Violation of any of the foregoing rules is grounds for disciplinary action by the Company, including employment termination.

8. COMPANY ASSISTANCE AND EDUCATION

8.1 The Company shall take reasonable steps designed to ensure that all Directors and employees of the Company are educated about, and periodically reminded of, the federal securities law restrictions and Company policies regarding insider trading. Directors and employees shall be required to certify their understanding of, and intent to comply with, the Company's insider trading policy.

8.2 The Company shall provide reasonable assistance to all Directors and executive officers, as requested by such Directors and executive officers, in connection with the filing of Forms 3, 4 and 5 under Section 16 of the Securities Exchange Act of 1934. However, the ultimate responsibility, and liability, for timely filing remains with the Directors and executive officers.