



ETHICS AND INTEGRITY STANDARD

Adopted September 21, 2006

TENGION, INC.
ETHICS AND INTEGRITY STANDARD

Tengion Values:

The TALENT and PASSION that motivate scientific breakthrough;

The TRUST, RESPECT and DIVERSITY that inspire collaboration;

The TRANSPARENCY and ACCOUNTABILITY that underlie partnership;

The TENACITY and OPTIMISM that accelerate success; and

The TRANSFORMATION of human health and life that our tissues and organs will make possible.

Introduction

Tengion is committed to upholding high standards of ethics and integrity in all aspects of its business. This *Ethics and Integrity Standard*, referred to as the “Standard,” is intended to foster more than mere legal compliance. It is part of the framework reinforcing our values, with the goal of Tengion exhibiting leadership in business ethics and integrity commensurate with our leadership in medical science and our contributions to human health. This Standard is a statement of the principles of business conduct and ethics that are expected to guide the behavior of all members of the Tengion family, including every full, part-time and temporary employee of the Company and its subsidiaries, all members of the Company’s senior management, including Tengion’s President and Chief Executive Officer and Chief Financial Officer, every member of the Company’s Board of Directors and third parties representing the Company.

It is our responsibility to conduct ourselves in an ethical business manner and also to ensure that others do the same. If any one of us violates these standards, he or she can expect a disciplinary response, up to and including termination of his or her relationship with the Company, and possibly other legal action. If any breach of the Standard is known to you, you are obligated to report violations. Tengion has established a confidential and anonymous hotline for accepting and processing such reports.

While it is impossible for the Standard to describe every situation that may arise, the policies reflected in the Standard are guidelines the spirit of which should govern our conduct at all times. First and foremost, all members of the Tengion family are expected to exercise prudence and their best judgment. If you are confronted with situations not precisely covered by the Standard, or have questions regarding the matters that are addressed in the Standard, please consult with the Compliance Officer, a member of the Compliance Committee, or another member of management.

This Standard is an important component of Tengion’s compliance program, but it is only one component. Other components of our compliance program include, among other things, Tengion’s Employee Handbook, our policies and procedures and our training sessions. All of these components function together as an integrated whole and team members are expected to be familiar with and abide by all of these relevant components.

Table of Contents

	Page
I. GENERAL REQUIREMENTS.....	1
II. OUR VALUES-DRIVEN WORK ENVIRONMENT	2
A. Respect and Courtesy.....	2
B. Harassment-Free Environment	2
C. Health and Safety in the Workplace	2
III. CONFLICTS OF INTEREST	4
IV. PROTECTION AND PROPER USE OF COMPANY ASSETS	6
A. Proper Use of Company Property	6
B. Confidential Information	6
C. Accurate Records and Reporting	6
D. Document Retention	7
E. Corporate Advances.....	8
V. FAIR DEALING WITH CUSTOMERS, SUPPLIERS, COMPETITORS, AND TEAM MEMBERS.....	9
A. Giving Gifts	9
B. Receiving Gifts	9
C. Unfair Competition	10
D. Antitrust	10
E. Unfair Practices in International Business.....	12
VI. GOVERNMENT RELATIONS	13
A. Payments to Officials.....	13
B. Political Contributions	13
VII. OUR INTERACTIONS WITH HEALTH CARE INSTITUTIONS AND PROFESSIONALS.....	14
VIII. REPORTING VIOLATIONS UNDER THE STANDARD: NON-RETALIATION POLICY	15
A. Obligation to Make Reports; Procedure	15
B. Tengion’s Anti-Retaliation Pledge	15
IX. QUESTIONS UNDER THE STANDARD AND WAIVER PROCEDURES	16
X. FREQUENTLY ASKED QUESTIONS	17
 <u>APPENDIX</u>	
AGREEMENT TO COMPLY.....	20

I. GENERAL REQUIREMENTS

The following tenets summarize the essence of the Tengion Standard. The pact each member of the Tengion family makes upon joining the Tengion team is that she or he will:

- exemplify Tengion's values (recited above) in all activities undertaken on behalf of Tengion and at all times when on Tengion premises or otherwise representing Tengion;
- obey the applicable laws and regulations governing our business conduct worldwide;
- be honest, fair, trustworthy and accountable in all business dealings and obligations;
- exercise prudence, respect and his or her best judgment in all circumstances;
- handle ethically all conflicts of interest and apparent conflicts of interest between work and personal affairs;
- recognize the position of trust each of us is in with respect to our stockholders, safeguarding Tengion's assets and using them prudently and for the exclusive benefit of Tengion;
- support an atmosphere in which fair employment practices extend to every member of the diverse Tengion family; and
- sustain a culture in which ethical conduct is valued, exemplified, recognized and rewarded by all employees.

The first tenet above is first for a reason. Tengion's values are at the core of everything we do and every relationship we form. Employing these values in all of our business dealings will ensure that we adhere to the following elements of the Tengion Standard.

* * * * *

Throughout the remainder of the Standard, reference is frequently made to the Compliance Committee. Unless the context requires otherwise, this should be understood to mean any member of the Compliance Committee, including the Compliance Officer, and the Audit Committee of the Board of Directors.

Tengion's Compliance Officer and Compliance Committee are responsible for the implementation, monitoring and enforcement of this Standard. Team members should feel free to address questions regarding any element of this Standard to the Compliance Officer and any other member of Tengion's Compliance Committee. Information regarding the Compliance Committee, including its members, their contact information and the Compliance Committee Charter is posted on InfoNet.

II. OUR VALUES-DRIVEN WORK ENVIRONMENT

A. Respect and Courtesy

Being considerate of, and recognizing, the dignity of all people is central to our values. How we act on this belief extends across everything we do, from our interpersonal relationships to our interactions with our suppliers, vendors, patients, stockholders and members of the broader community. It also extends to acting professionally while participating in any job-related activity, including Tengion sponsored off-site events and social gatherings. This approach encompasses all aspects of respecting the inherent dignity of every person as reflected in this Standard and as outlined more specifically in the Tengion Employee Handbook, the provisions of which are in addition to the provisions of this Standard.

We expect passion and excellence from ourselves and each other. At the same time, we are committed to fair employment practices and creating a non-discriminatory work environment that provides equal opportunities to all employees. Discrimination or harassment at Tengion in any form will not be tolerated under any circumstances. All Tengion team members are expected to abide by all applicable policies and laws regarding employee conduct.

The Company encourages its team members to bring any problem, complaint or concern regarding any alleged employment discrimination to the attention of the Human Resources Department. Team members who have concerns regarding conduct they believe is discriminatory should also feel free to make any such reports to the Compliance Officer, a member of the Compliance Committee, or through the INTEGRITY AND RESPECT HOTLINE.

B. Harassment-Free Environment

The Company is committed to maintaining a collegial work environment in which all individuals are treated with respect and dignity and which is free of sexual harassment. In keeping with this commitment, the Company will not tolerate sexual harassment of team members by anyone, including any supervisor, co-worker, vendor, client or customer, whether in the workplace, at assignments outside the workplace, at Company-sponsored social functions or elsewhere.

Each team member should be familiar with and abide by the Company's Sexual Harassment Policy. A copy of this policy is set forth in the Tengion Employee Handbook. We encourage our team members to bring any problem, complaint or concern regarding any alleged harassment to the attention of the Human Resources Department. Team members who have concerns regarding conduct they believe constitutes harassment should also feel free to make any such reports to the Compliance Officer, a member of the Compliance Committee, or through the INTEGRITY AND RESPECT HOTLINE.

C. Health and Safety in the Workplace

Tengion is committed to fostering a Zero Accident Culture. This requires compliance with all applicable workplace standards and practices mandated by law. All employees are responsible

for maintaining a safe and healthy working environment. By law, the Company is responsible for the proper handling and disposal of all regulated hazardous materials as outlined under all applicable local, state, and federal guidelines. The Company encourages all employees to become familiar with all aspects of the workplace environment, and to report any unsafe working conditions. Further, team members are responsible for ensuring that the Company complies with all provisions of the health, safety, and environmental laws of the United States and of other countries where the Company does business. The penalties that can be imposed against the Company and its team members for failure to comply with health, safety, and environmental laws can be substantial, and include imprisonment and fines.

III. CONFLICTS OF INTEREST

Tengion personnel should avoid any situation that may involve, or even appear to involve, a conflict between their personal interests and the interests of the Company. In dealings with fellow employees, current or potential customers, suppliers, contractors, and competitors, each team member should act in the best interests of the Company to the exclusion of personal advantage. For purposes of this section, an amount or interest is “significant” if its value equals or exceeds \$1,000. This section does not apply to indirect financial interests in entities through the ownership of shares in mutual or specialty funds that are independently managed by persons other than the team member or any immediate family member, domestic partner or “significant other” of the team member. Team members are prohibited from participating in the following activities, each of which could represent an actual or perceived conflict of interest:

- No team member or immediate family member, domestic partner or significant other of a team member may have a significant financial interest in, or obligation to, any outside enterprise that does or seeks to do business with Tengion or is an actual or potential competitor of the Company, without prior approval of the Compliance Committee, or in the case of executive officers or members of the Board of Directors, the full Board of Directors or a committee thereof.
- No team member may conduct a significant amount of business on Tengion’s behalf with an outside enterprise that does or seeks to do business with Tengion if an immediate family member, domestic partner or significant other of the team member is a principal or officer of such enterprise, or an employee of such enterprise who will play a significant role in the business done or to be done between the Company and such enterprise, without prior approval of the Compliance Committee, or in the case of executive officers or members of the Board of Directors, the full Board of Directors or a committee thereof.
- No executive officer or employee, or an immediate family member, domestic partner or significant other of an executive officer or an employee, may serve as a director, officer or in any other management or consulting capacity for any competitor of Tengion.
- No director, or an immediate family member, domestic partner or significant other of a director, may serve as a director, officer or in any other management or consulting capacity of any competitor of the Company, without the prior approval of the full Board of Directors or a committee thereof.
- No team member may use any Company property or information or his or her position at the Company for his or her personal gain.
- No team member may engage in activities that are directly competitive with those in which the Company is engaged.
- No person may divert a business opportunity from the Company to her or his own benefit. If a team member becomes aware of an opportunity to acquire or profit

from a business opportunity or investment in which the Company is or may become involved or in which the Company may have an existing or impending interest, the team member must disclose the relevant facts to his or her supervisor, the CEO, the Compliance Officer or a member of the Compliance Committee. The team member may proceed to take advantage of the opportunity only if the Company is unwilling or unable to take advantage of the opportunity.

- No team member or immediate family member, domestic partner or significant other of a team member may receive any loan or advance from the Company, or be the beneficiary of a guaranty by the Company of a loan or advance from a third party, except for customary advances or corporate credit in the ordinary course of business or otherwise approved by the Compliance Committee. Please see Section IV.E. below (Corporate Advances) for more information on permitted corporate advances.

Each team member should make prompt and full disclosure in writing to the Compliance Officer or a member of the Compliance Committee of any situation that may involve a conflict of interest. Failure to disclose any actual or perceived conflict of interest is a violation of the Standard.

IV. PROTECTION AND PROPER USE OF COMPANY ASSETS

Proper protection and use of Tengion assets and assets entrusted to it by others, including proprietary information, is a fundamental responsibility of each person. Team members must comply with security programs to safeguard assets against unauthorized use or removal, as well as against loss by criminal act or breach of trust. These provisions relating to protection of Tengion's property also apply to property of others entrusted to it (including proprietary and confidential information).

A. Proper Use of Company Property

The removal from Tengion's facilities of Tengion's property is prohibited, unless authorized by the Company. This applies to furnishings, equipment, and supplies, as well as property created or obtained by the Company for its exclusive use – such as client lists, files, personnel information, reference materials and reports, computer software, data processing programs and data bases. Neither originals nor copies of these materials may be removed from the Company's premises or used for purposes other than the Company's business without prior written authorization in good faith from an appropriate supervisor.

The Company's products and services are its property; contributions made by any team member to their development and implementation are the Company's property and remain the Company's property even if the individual's employment or directorship terminates.

Each team member has an obligation to use the time for which he or she receives compensation from the Company productively. Work hours should be devoted to activities directly related to the Company's business.

B. Confidential Information

Tengion provides its team members with confidential information relating to the Company and its business with the understanding that such information is to be held in confidence and not communicated to anyone who is not authorized to see it, except as may be required by law. The types of information that each team member must safeguard include (but are not limited to) the Company's plans and business strategy, unannounced products and/or contracts, sales data, significant projects, customer and supplier lists, patents, patent applications, trade secrets, manufacturing techniques and sensitive financial information, whether in electronic or conventional format. These are costly, valuable resources developed for the exclusive benefit of the Company. No team member may disclose the Company's confidential information to an unauthorized third party or use the Company's confidential information for his or her own personal benefit.

C. Accurate Records and Reporting

Under law, the Company is required to keep books, records and accounts that accurately and fairly reflect all transactions, dispositions of assets and other events that are the subject of specific regulatory record keeping requirements, including generally accepted accounting principles and

other applicable rules, regulations and criteria for preparing financial statements. All Company reports, accounting records, sales reports, expense accounts, invoices, purchase orders, and other documents must accurately and clearly represent the relevant facts and the true nature of transactions. Reports and other documents should state all material facts of a transaction and not omit any information that would be relevant in interpreting such report or document. Under no circumstance may there be any unrecorded liability or fund of the Company, regardless of the purposes for which the liability or fund may have been intended, or any improper or inaccurate entry knowingly made on the books or records of the Company. No payment on behalf of the Company may be approved or made with the intention, understanding or awareness that any part of the payment is to be used for any purpose other than that described by the documentation supporting the payment. In addition, intentional accounting misclassifications (e.g., expense versus capital) and improper acceleration or deferral of expenses or revenues are unacceptable reporting practices that are expressly prohibited.

The Company continues to develop a system of internal controls to provide reasonable assurance that transactions are executed in accordance with management's authorization, are properly recorded and posted, and are in compliance with regulatory requirements. The system of internal controls within the Company includes written policies and procedures, budgetary controls, supervisory review and monitoring, and various other checks and balances, and safeguards, such as password protection to access certain computer systems and the "Grants of Authority" policy outlining employees' authority to make or commit to certain expenditures on behalf of Tengion.

Team members are expected to be familiar with, and to adhere strictly to, these internal controls and procedures. Responsibility for compliance with these internal controls rests not only with Tengion's accounting personnel, but with all team members involved in approving transactions, supplying documentation for transactions, and recording, processing, summarizing and reporting of transactions and other information required in order for the Company's financial statements to be fair and accurate. **Because the integrity of the Company's financial statements depends on the integrity of the Company's internal reports and record-keeping, all team members must adhere to the highest standards of care with respect to our internal records and reporting.**

Any team member who believes Tengion's books and records are not in accord with these requirements should immediately report the matter to the Compliance Committee or through the FINANCIAL AND ACCOUNTING HOTLINE.

D. Document Retention

Numerous federal and state statutes require the proper retention of many categories of records and documents that are commonly maintained by companies. In consideration of those legal requirements and the Company's business needs, all team members must maintain records in accordance with the Company's Records Retention Policy.

In addition, any record, in paper or electronic format, relevant to a threatened, anticipated or actual internal or external inquiry, investigation, matter or lawsuit may not be discarded, concealed, falsified, altered, or otherwise made unavailable, once a team member has become aware of the existence of such threatened, anticipated or actual internal or external inquiry,

investigation, matter or lawsuit. Team members must handle such records in accordance with the procedures outlined in the Company's Records Retention Policy.

When in doubt regarding retention of any record, a team member must not discard or alter the record in question and should seek guidance from the Compliance Committee. Team members should also direct all questions regarding our Records Retention Policy and related procedures to the Compliance Committee.

E. Corporate Advances

The Company may not loan money to team members. No team member may advance Company funds to any other team member or to himself or herself except for usual and customary business advances for legitimate corporate purposes approved by a supervisor or pursuant to a corporate credit card for usual and customary, legitimate business purposes.

Company credit cards are to be used only for authorized, legitimate business purposes. A team member will be responsible for any unauthorized charges to a Company credit card.

V. FAIR DEALING WITH CUSTOMERS, SUPPLIERS, COMPETITORS, AND TEAM MEMBERS

The Company does not seek to gain any advantage through the improper use of favors or other inducements. Likewise, the Company will not afford to any third party any gain or advantage by virtue of the improper use of favors or other inducements. Good judgment and moderation must be exercised to avoid misinterpretation and potential adverse effect on the reputation of the Company or its team members. Offering or giving any form of bribe to a representative of a customer or supplier to influence that representative's conduct is strictly prohibited. Similarly, soliciting or receiving any form of bribe from any supplier or customer or other party is strictly prohibited.

A. Giving Gifts

Cash or cash-equivalent gifts (*e.g.*, gift certificates) must not be given by a team member to any person or enterprise. Gifts, favors and entertainment may be given to non-governmental employees and non-health care professionals if what is given:

- is consistent with customary business practice;
- is not excessive in value and cannot be construed as a bribe or pay-off;
- is not in violation of applicable law or regulation or ethical standards; and
- will not embarrass the Company or the team member if publicly disclosed.

See subsection E below for considerations relating to gifts to foreign officials and Section VI.B below for considerations relating to gifts to local, state and federal government employees.

Please see Section VI.D below for information regarding gifts, favors or entertainment to health care professionals.

B. Receiving Gifts

Gifts, favors, entertainment or other inducements may not be accepted by team members or members of their immediate families from any person or organization that does or seeks to do business with, or is a competitor of, the Company, except as common courtesies usually associated with customary business practices. If the gift is of more than token value, the Compliance Committee must approve its acceptance.

An especially strict standard applies when suppliers are involved. If a gift unduly influences or makes a team member feel obligated to "pay back" the other party with business, receipt of the gift is unacceptable. It is not permissible to accept event tickets (or similar licenses) from a current or potential supplier or vendor unless a representative of such supplier or vendor attends the event with the Tengion employee(s).

It is never acceptable to accept a gift in cash or cash equivalent. Even cash or cash equivalent gifts of token value must be declined and returned to the sender.

C. Unfair Competition

Although the free enterprise system is based upon competition, rules have been imposed stating what can and what cannot be done in a competitive environment. The following practices can lead to liability for “unfair competition” and should be avoided. They are violations of the Standard.

Disparagement of Competitors. It is not illegal to point out weaknesses in a competitor’s service, product or operation; however, team members may not spread false rumors about competitors or make misrepresentations about their businesses. For example, a team member may not pass on anecdotal or unverified stories about a competitor’s products or services.

Disrupting a Competitor’s Business. This includes bribing a competitor’s employees, posing as prospective customers or using deceptive practices such as enticing away employees in order to obtain secrets or destroy a competitor’s organization. For example, it is not a valid form of “market research” to visit a competitor’s place of business posing as a customer.

Misrepresentations of Price and Product. Lies or misrepresentations about the nature, quality or character of the Company’s services and products are both illegal and contrary to Company policy. A team member may only describe our services and products based on their documented specifications, not based on anecdote or his or her belief that our specifications are too conservative.

D. Antitrust

Federal and state antitrust laws are intended to preserve the free enterprise system by ensuring that competition is the primary regulator of the economy. Every corporate decision that involves customers, competitors, and business planning with respect to output, sales and pricing raises antitrust issues. Compliance with the antitrust laws is in the public interest, in the interest of the business community at large, and in our Company’s interest.

Failing to recognize antitrust risk is costly. Antitrust litigation can be very expensive and time-consuming. Moreover, violations of the antitrust laws can, among other things, subject you and the Company to the imposition of injunctions, treble damages, and heavy fines. Criminal penalties may also be imposed, and individual employees can receive heavy fines or even be imprisoned. For this reason, antitrust compliance should be taken seriously at all levels within the Company.

A primary focus of antitrust laws is on dealings between competitors. In all interactions with actual or potential competitors all team members must follow these rules:

- Never agree with a competitor or a group of competitors to charge the same prices or to use the same pricing methods, to allocate services, customers, private or governmental payor contracts or territories among yourselves, to boycott or refuse to do business with a provider, vendor, payor or any other third party, or to refrain

from the sale or marketing of, or limit the supply of, particular products or services.

- Never discuss past, present, or future prices, pricing policies, bundling, discounts or allowances, royalties, terms or conditions of sale, costs, choice of customers, territorial markets, production quotas, allocation of customers or territories.
- Be careful of your conduct. An “agreement” that violates the antitrust laws may be not only a written or oral agreement, but also a “gentlemen’s agreement” or a tacit understanding. Such an “agreement” need not be in writing. It can be inferred from conduct, discussions or communications of any sort with a representative of a competitor.
- Make every output-related decision (pricing, volume, etc.) independently, in light of costs and market conditions and competitive prices.
- Carefully monitor trade association activity. These forums frequently create an opportunity for competitors to engage in antitrust violations.

Another focus of antitrust law is how a Company deals with suppliers, contractors, “customers” (*e.g.*, patients, physicians, hospitals, *etc.*) and other third parties. The following practices could raise issues, and team members should always consult with the Compliance Committee before doing any of the following:

- Refusing to sell to any customer or prospective customer;
- Entering into any new distribution or supply agreement which differs in any respect from those previously approved;
- Conditioning a sale on the customer’s purchasing another product or service, or on not purchasing the product of a competitor;
- Requiring a supplier to purchase products from the Company as a condition of purchasing products from that supplier;
- Entering into an exclusive dealing arrangement with a supplier or customer; or

If our Company has a dominant or potentially dominant position with respect to a particular product or market, especially rigorous standards of conduct must be followed. In these circumstances, appropriate persons in the marketing and sales organization within the Company should keep the Compliance Committee fully informed of competitive strategies and conditions.

Finally, always immediately inform the Compliance Committee if local, state or federal law enforcement officials request information from the Company concerning its operations.

E. Unfair Practices in International Business

Under the Foreign Corrupt Practices Act (“FCPA”), team members of the Company are prohibited from making certain gifts to foreign officials. “Foreign officials” include not only persons acting in an official capacity on behalf of a foreign government, agency, department or instrumentality, but also representatives of international organizations, foreign political parties and candidates for foreign public office. The gift is “corrupt” under the FCPA if it is made for the purpose of:

- Influencing any act or decision of a foreign official in his official capacity;
- Inducing a foreign official to do or omit to do any act in violation of his lawful duty;
- Inducing a foreign official to use his position to affect any decision of the government; or
- Inducing a foreign official to secure any “improper advantage.”

A gift is still “corrupt” even when paid through an intermediary. Any team member who has any questions whatsoever as to whether a particular gift might be “corrupt” under the FCPA, please contact the Compliance Committee.

VI. GOVERNMENT RELATIONS

Team members must adhere to the highest standards of ethical conduct in all relationships with government employees and must not improperly attempt to influence the actions of any public official.

A. Payments to Officials

Payments or gifts shall not be made directly or indirectly to any government official or team member if the gift or payment is illegal under the laws of the country having jurisdiction over the transaction, or if it is for the purpose of influencing or inducing the recipient to do, or omit to do, any act in violation of his or her lawful duty. Under no circumstances should gifts be given to employees of the United States Government.

B. Political Contributions

Company funds, property or services may not be contributed to any political party or committee, or to any candidate for or holder of any office of any government. This policy does not preclude, where lawful, Company expenditures to support or oppose public referendum or separate ballot issues, or, where lawful and when reviewed and approved in advance by the Compliance Committee, the formation and operation of a political action committee.

VII. OUR INTERACTIONS WITH HEALTH CARE INSTITUTIONS AND PROFESSIONALS

Providing gifts, favors, meals or entertainment to health care professionals, along with other aspects of conducting business with such persons (*e.g.*, entering into consulting agreements) is subject to increasingly stringent federal and state laws and regulations. Similarly, the American Medical Association and various industry organizations (*e.g.*, the Pharmaceutical Research and Manufacturers' Association and the Advanced Medical Technology Association) have adopted codes or policies applicable to these activities. Consequently, these activities are prohibited, except in strict adherence with the Company's separate policies and procedures applicable to interactions with health care professionals. The Company is committed to full compliance with federal and state laws, including laws prohibiting fraud and abuse such as the Federal Anti-Kickback Statute, the Stark Law, the Commonwealth of Pennsylvania and the State of North Carolina anti-kickback laws and false claims laws.

Integrity and trust are the foundation of Tengion's marketing, advertising and sales practices. We work honestly and in good faith with our customers and partners to build long-lasting business relationships. Our sales and marketing materials must be both accurate and informative. Products will be represented in a way that is consistent with our stated values; that is, we will not misrepresent data or product information. We need to make every effort to base these materials on documented scientific facts, and maintain compliance with regulatory agencies. All sales and marketing literature must be pre-approved, and be in accordance with the Company's formal policies in effect at the time. In all of our advertising and marketing materials and practices and at every level of the marketing and sales organization, we will not sacrifice integrity to make or maintain sales.

VIII. REPORTING VIOLATIONS UNDER THE STANDARD: NON-RETALIATION POLICY

A. Obligation to Make Reports; Procedure

Any team member of the Company having any information or knowledge regarding the existence of any violation or suspected violation of the Standard has a duty to report the violation or suspected violation to the Compliance Committee or through the employee HOTLINES. Team members are also encouraged to raise any issues or concerns regarding the Company's business or operations. Failure to report suspected or actual violations is itself a violation of the Standard and may subject the team member to disciplinary action, up to and including termination of employment or legal action. Reports may be made on a completely confidential and anonymous basis. To the extent any investigation is necessitated by a report, the Company will endeavor to keep the proceedings and the identity of the reporting team member confidential to the fullest extent required by applicable law.

B. Tengion's Anti-Retaliation Pledge

Any team member who reports a suspected violation under the Standard by the Company, or its agents acting on behalf of the Company, or who raises issues or concerns regarding the Company's business or operations, to the Hotline, the Compliance Officer or any other member of the Compliance Committee, may not be fired, demoted, reprimanded or otherwise harmed for, or because of, the reporting of the suspected violation, issues or concerns, regardless of whether the suspected violation involves the team member, the team member's supervisor or senior management of the Company.

In addition, any team member who reports a suspected violation under the Standard which the team member reasonably believes constitutes a violation of a federal statute by the Company, or its agents acting on behalf of the Company, to a federal regulatory or law enforcement agency, may not be reprimanded, discharged, demoted, suspended, threatened, harassed or in any manner discriminated against in the terms and conditions of the team member's employment for, or because of, the reporting of the suspected violation, regardless of whether the suspected violation involves the team member, the team member's supervisor or senior management of the Company.

IX. QUESTIONS UNDER THE STANDARD AND WAIVER PROCEDURES

Team members are encouraged to consult with the Compliance Committee about any uncertainty or questions they may have under the Standard. If any situation should arise where a course of action would likely result in a violation of the Standard but for which the team member thinks that a valid reason for the course of action exists, the team member should contact the Compliance Committee to obtain a waiver **prior to the time the action is taken. No waivers will be granted after the fact for actions already taken.** Except as noted below, the Compliance Committee will review all the facts surrounding the proposed course of action and will determine whether a waiver from any policy in the Standard should be granted.

Waiver Procedures for Executive Officers and Directors. Waiver requests by an executive officer or member of the Board of Directors shall be referred by the Compliance Committee, with its recommendation, to the Board of Directors or a committee thereof for consideration. If either (i) a majority of the independent directors on the Board of Directors, or (ii) a committee comprised solely of independent directors agrees that the waiver should be granted, it will be granted. If the Board denies the request for a waiver, the waiver will not be granted and the team member may not pursue the intended course of action.

It is the Company's policy only to grant waivers from the Standard in limited and compelling circumstances.

X. FREQUENTLY ASKED QUESTIONS

The following questions and answers address the practical aspects of how the Standard is implemented and each person's obligation to comply with the Standard. The procedures under the Standard are designed to protect confidentiality and freedom from the fear of retaliation for complying with and reporting violations under the Standard.

Q: Who is responsible for administering, updating and enforcing the Standard?

A: Tengion's Board of Directors has appointed a Compliance Officer and a management level Compliance Committee to administer, update and enforce the Standard. The Compliance Committee Charter, which sets forth its membership and purposes, is available on "InfoNet," Tengion's employee Intranet. Ultimately, the Board of Directors of Tengion has the authority and duty to ensure that the Compliance Officer and the Compliance Committee fulfill their responsibilities.

The Compliance Officer has overall responsibility for overseeing the implementation of the Standard, including its administration, updating and enforcement. The Compliance Officer is assisted in this role by the Compliance Committee. In addition, among other things, the Compliance Committee will conduct internal investigations of suspected compliance violations and evaluate, and make recommendations with respect to, disciplinary actions for violations of the Standard and other ethical and legal violations.

Q: How can I contact the Compliance Officer and the Compliance Committee?

A: The names and phone numbers of the Compliance Officer and each member of the Compliance Committee are available on the Company's employee Intranet. Any one of these individuals can assist you in answering questions or reporting violations or suspected violations under the Standard.

Q: How can I report any concerns that I have in a confidential and anonymous manner?

A: The Company has established two employee hotlines, a **FINANCIAL AND ACCOUNTING HOTLINE** to report concerns, incidents or practices relating to Tengion's financial or accounting affairs and an **INTEGRITY AND RESPECT HOTLINE** to report concerns about other potential violations of the Standard or any of Tengion's policies or procedures or any other ethical lapse or failure to comply with laws or regulations. Tengion personnel may also report any other concerns with respect to the Company's business or operations. The hotlines are administered by an independent third party service. **Reports submitted on these hotlines are anonymous and confidential.** The employee hotlines are accessible by Internet and toll-free telephone and may be reached 24 hours a day, 7 days a week. More information, including the Internet address and toll-free telephone number, can be obtained by clicking on the "Employee Hotlines" link on Tengion's employee Intranet.

Tengion has designed these reporting procedures with the goal of maximizing confidentiality and anonymity and eliminating the fear of retaliation. Tengion's policies prohibit retaliation for compliance with, or reporting violations of, the Standard.

Q: Do I have a duty to report violations under the Standard?

A: Yes, participation in the Standard and its compliance program is mandatory. You must immediately report any suspected or actual violation of the Standard on the Hotline, to the Compliance Officer or to a member of the Compliance Committee. The Company will keep reports confidential to the fullest extent required by applicable law. Failure to report suspected or actual violations is itself a violation of the Standard and may subject you to disciplinary action, up to and including termination of employment or legal action.

Q: I'm afraid of being fired for raising questions or reporting violations under the Standard. Will I be risking my job if I do?

A: The Standard contains a clear non-retaliation policy, meaning that if you in good faith report a violation of the Standard by Tengion or its agents acting on its behalf to the Hotline, the Compliance Officer or another member of the Compliance Committee, the Company will undertake to protect you from being fired, demoted, reprimanded or otherwise harmed for reporting the violation, even if the violation involves you, your supervisor, or senior management of the Company. You are entitled to make the report on a confidential and anonymous basis. In other words, when you submit a report via either of the Hotlines, the recipients of the report will not know your identity. A report may give rise to the need for an investigation. If this is the case and additional information is required from you, the Hotlines provide a mechanism to allow for two-way interaction without you divulging your identity. Sometimes, however, in order for an investigation to be effective, the Compliance Officer, the Compliance Committee or the Audit Committee of the Board of Directors, as appropriate, may deem it appropriate to request your identity. In such circumstances, if a reporting person does agree to identify himself or herself, the report, along with his or her identity, will be kept confidential to the extent permitted or required by applicable law and the reporting person will be entitled to the protections of the Company's non-retaliation policy.

In addition, if you in good faith report a suspected violation under the Standard which you reasonably believe constitutes a violation of a federal statute by the Company or agents acting on its behalf to a federal regulatory or law enforcement agency, you may not be reprimanded, discharged, demoted, suspended, threatened, harassed or in any manner discriminated against in the terms and conditions of your employment for reporting the suspected violation, regardless of whether the suspected violation involves you, your supervisor or senior management of the Company.

Q: How are suspected violations investigated under the Standard?

A: When a suspected violation is reported to the Hotline, the Compliance Officer or a member of the Compliance Committee, the Compliance Committee will gather information about the allegation by interviewing the team member reporting the suspected violation, the team member who is accused of the violation and/or any co-workers or team members of the accused

team members to determine if a factual basis for the allegation exists. The reporting team member's immediate supervisor will not be involved in the investigation if the reported violation involves that supervisor. The Company will keep the identity of the reporting team member confidential to the fullest extent required or permitted by applicable law.

If the report is not substantiated, the reporting team member will be informed and at that time will be asked for any additional information not previously communicated. If there is no additional information, the Compliance Officer will close the matter as unsubstantiated.

If the allegation is substantiated, the Compliance Committee will make a judgment as to the degree of severity of the violation and the appropriate disciplinary response. In more severe cases, the Compliance Committee will make a recommendation to the Board of Directors of the Company for its approval. The Board's decision as to disciplinary and corrective action will be final. In the case of less severe violations, the Compliance Officer may refer the violation to the Human Resources Department for appropriate disciplinary action. Also, depending on the nature of the alleged violation, the Company may refer the matter to civil authorities or law enforcement agencies or both.

The Compliance Committee shall provide a summary of all matters considered under the Standard to the Board of Directors at least annually or sooner if warranted by the severity of the matter.

Q: Do I have to participate in any investigation under the Standard?

A: Your full cooperation with any pending investigation under the Standard is a condition of your continued relationship with the Company. The refusal to cooperate fully with any investigation is a violation of the Standard and grounds for discipline, up to and including termination.

Q: What are the consequences of violating the Standard?

A: Persons who violate the Standard may be subject to discipline, up to and including termination of employment. Persons who violate the Standard may simultaneously violate federal, state, local or foreign laws, regulations or policies. Such persons may be subject to prosecution, imprisonment and fines, and may be required to make reimbursement to the Company, the government or any other person for losses resulting from the violation.

Q: What if I have questions under the Standard or want to obtain a waiver under any provision of the Standard?

A: The Compliance Officer and any member of the Compliance Committee can help answer questions you may have under the Standard. Particularly difficult questions will be answered with input from the Compliance Committee as a whole. In addition, Section VIII of the Standard provides information on how you may obtain a waiver from the Standard; waivers will be granted only in very limited circumstances. You should never pursue a course of action that is unclear

under the Standard without first consulting the Compliance Officer or the Compliance Committee, and if necessary, obtaining a waiver under the Standard.

APPENDIX

AGREEMENT TO COMPLY WITH STANDARD

I have read the Tengion’s Ethics and Integrity Standard (the “Standard”). I have obtained an interpretation of any provision about which I had a question. I agree to abide by the provisions of the Standard. Based on my review, I acknowledge that

_____ To the best of my knowledge, I am not in violation of, or aware of any violation by others of, any provision contained in the Standard;

OR

_____ I have made a full disclosure on the reverse side of this acknowledgement of the facts regarding any possible violation of the provisions set forth in the Standard.

In addition, I understand that I am required to report any suspected or actual violation of the Standard, and that I may make such reports on a fully anonymous basis through the mechanisms described in this Standard. I understand that I am required to cooperate fully with the Company in connection with the investigation of any suspected violation. I understand that my failure to comply with the Standard or its procedures may result in disciplinary action, up to and including termination.

By: _____
Name (Please print):
Department:

Date: _____