

**CAMBRIDGE DISPLAY TECHNOLOGY, INC.**  
**CODE OF BUSINESS CONDUCT AND ETHICS**

As amended and restated by the Board of Directors

May 4, 2006

**1. PURPOSE**

The Board of Cambridge Display Technology, Inc. is committed to maintaining high standards of business conduct and ethics. The purpose of this code is to document the standards of behaviour which are expected of all employees, directors and officers of the Company.

**2. APPLICABILITY**

The Code of Business Conduct and Ethics (the “Code”) of Cambridge Display Technology, Inc. and each of its subsidiaries (collectively, the “Company”) applies to all employees, directors and officers (the “Employees”) and must be strictly observed. Strict compliance with this code is a condition of continuing employment with the Company. Failure to observe this code could result in disciplinary action, up to and including termination of employment and could also result in criminal or civil liability.

**3. DISSEMINATION**

The Code shall be available on CDT’s website [www.cdttltd.co.uk](http://www.cdttltd.co.uk) and on noticeboards throughout the Company. Questions regarding any law, rule, regulation or principle discussed in this Code that may govern business conduct should be directed to your supervisor or the VP, Legal and IP. The Company may modify or repeal the provisions of the Code or adopt a new Code at any time it deems appropriate.

**4. CERTIFICATION**

Employees may be required periodically to certify their understanding of and intent to comply with this Code. Any Employee who suspects a violation of these policies should inform his or her superior, or the Company’s CEO, or any member of the Company’s Board of Directors. (See also- ANONYMOUS REPORTING – section 7).

**5. THE CODE**

All Employees shall:-

- Deal honestly with their colleagues, customers and suppliers;

- Abide by the laws and regulations of the country in which they operate and the laws and regulations that govern the Company;
- Protect and respect the confidentiality of information acquired in the course of their work (whether it belongs to CDT, its customers or suppliers) except when authorized or otherwise legally obligated to disclose. Examples of confidential information include know how, trade secrets and R&D ideas. The obligation to preserve confidential information continues beyond employment;
- Report all irregularities that come to their attention, irrespective of by whom committed and regardless of whether they fall within their span of responsibility (See Section 7 – ANONYMOUS REPORTING);
- Avoid conflicts of interest. Employees must base business decisions and actions on the best interest of the Company. A conflict of interest occurs when a Employee’s personal interest interferes in any way—or even appears to interfere—with the interests of the Company as a whole. Conflicts of interest also arise when a Employee or a member of his or her family receives improper personal benefits as a result of his or her position in the Company. Any conflicts should be reported to the VP Legal and IP, or under Section 5 below;
- Co-operate fully with the independent auditors of the Company and under no circumstances withhold any information from them. Further, Employees shall not maintain the Company’s accounting or other records in such a way that do not reflect the true nature of transactions or any other matters with clarity and completeness;
- Ensure that any reports or external communications are (i) full, fair, timely, accurate and understandable and (ii) meet all legal requirements. This policy applies to all public disclosure of material information about the Company, including written disclosures, oral statements, visual presentations, press conferences and media calls (see CDT’s Disclosure Policy for further details);
- Ensure that all documents and other records (including e-mail and other electronic records) should be retained for so long as they are (i) necessary for the current conduct of the Company’s business, (ii) required to be kept by law or regulation or (iii) relevant to pending or foreseeable investigations or disputes. (NB it can be a criminal offence to destroy any records relevant to legal proceedings);
- Ensure that assets belonging to the Company, suppliers, customers and other third parties’, such as electronic communication systems, information (proprietary or otherwise), material, facilities and equipment, as well as intangible assets, are properly used by Employees (eg not used for personal profit); and
- Refer any inquiries or demands for information from external investigators to the VP Legal and IP. Failure to cooperate with legitimate investigations may result in disciplinary action, up to and including termination of employment.

## 6. INSIDER TRADING

Both the Securities and Exchange Commission (the “SEC”) and U. S. Congress are very concerned about maintaining the fairness of the U.S. securities markets. The securities laws are continually reviewed and amended to prevent people from taking unfair advantage and to increase the punishment for those who do. These laws require publicly traded companies to have clear policies on insider trading. This Statement of Policy applies to all Employees. Insider trading is also a serious offence under UK and European laws.

### 6.1 Consequences

The consequences of insider trading violations can be substantial. For Employees who trade on inside information (or tip information to others) - a jail term of up to twenty years, a civil penalty of up to three times the profit gained or loss avoided, a criminal fine (no matter how small the profit) of up to \$5 million and even extradition. For a company (as well as possibly any supervisory person) that fails to take appropriate steps to prevent illegal trading - a civil penalty of the greater of \$1 million or three times the profit gained or loss avoided as a result of the employee’s violation and a criminal penalty of up to \$25 million.

### 6.2 Our Policy

- **No trading on the basis of material non-public information.** If any employee has material non-public information (often referred to as “insider information”) relating to the Company, it is our policy that neither that person nor any related person (eg family members) may buy or sell securities of the Company. “Material information” is any information that a reasonable investor would consider important in deciding whether or not to buy, hold or sell securities of the Company. In short, “material information” includes any information that reasonably could affect the price of the stock either positively or negatively eg results of operations, news of acquisitions or news of sales made or licences granted etc.
- **Pre-clearance of trades.** To provide assistance in preventing inadvertent violations and avoiding even the appearance of an improper transaction (which could result, for example, where an employee engages in a trade while unaware of a pending major development), all Employees are subject to pre-clearance in writing by Stephen Chandler, VP Legal and IP of all transactions in the Company’s securities.
- **Trading blackouts.** From time to time, the Company may require that Employees suspend trading because of developments known to the Company and not yet disclosed to the public. The Company will also require the following mandatory trading blackouts:
  - *Earnings trading blackouts* (beginning one month prior to the end of a fiscal quarter until two trading days after earnings for that quarter are

released) You will be notified if you are one of the specified employees subject to this policy

- **Trading after earnings announcements.** In addition to those employees subject to earnings trading blackouts, all employees are restricted from engaging in transactions until two trading days after the date of release of the quarterly earnings.
- **Trading Plans.** Certain rules protect Employees from insider trading liability for transactions under a previously established contract, plan or instruction to trade the Company's securities (a "Trading Plan"). This Statement of Policy permits Employees to adopt a Trading Plan with brokers that outline a pre-set plan for trading of the Company's securities, including the exercise of options. The VP for Legal and IP of the Company must pre-approve any Trading Plan.
- **Short-Term Trading.** As a general rule, any securities of the Company purchased in the open market (i.e., not including stock purchased upon exercise of an employee stock option) should be held for a minimum of six months and ideally longer. We believe it is improper for Company personnel to engage in short term trading ie holding stock for less than 6 months.

### 6.3 Employees shall not :-

- Disclose internal information relating to the Company as this could cause competitive harm to the Company or could result in liability for the Company;
- Communicate with the media of any other external third party unless they are specifically designated representatives of the Company (see also relevant sections of the Disclosure Policy). Any inquiries should be referred to VP Legal and IP;
- Comment on any rumours concerning the business and affairs of the Company.

### 6.4 Company Assistance

Any person who has any questions about specific transactions may obtain additional guidance from our VP for Legal and IP

## 7. ANONYMOUS REPORTING – OBLIGATION TO REPORT ANY ILLEGAL OR UNETHICAL BEHAVIOUR

Any Employee who is aware of any illegal or unethical behavior or who believes that an applicable law, rule or regulation or the Code has been violated must promptly report the matter to their line manager or to the VP Legal and IP. However, if the Employee does not wish to make the report to Company management, the matter can be reported to the Chair of the Audit Committee of the Board of Directors. Such reports can be made anonymously.

The Company has procedures, for raising, **in a confidential manner**, concerns about violations of applicable laws, rules, regulations or the Code. Employees may raise such concerns in confidence to the Chair of the Audit Committee of the Board of Directors, c/o

Public Concern at Work, by telephoning 020 7404 6609 or by using an anonymous e-mail service ([advice12@pcaw.co.uk](mailto:advice12@pcaw.co.uk)), and requesting that the concern be forwarded on to the Chair of the Audit Committee of the Board of Directors. Such persons need not disclose their identities. As well as forwarding any communication to the Chair of the Audit Committee, Public Concern at Work will, on request, provide confidential advice on how to effectively deal with suspected wrongdoing.

Employees will be expected to cooperate in assuring that violations of the Code are promptly addressed. The Company has a policy of protecting the confidentiality of those making reports of possible misconduct to the maximum extent possible, consistent with the requirements necessary to conduct an effective investigation, and the law. **In no event will there be any action taken, directly or indirectly, against someone for reporting an activity that he or she in good faith believes to be a violation of any law, rule, regulation, or this Code.** Any supervisor or other Employee intimidating or imposing sanctions, directly or indirectly, on a Employee for reporting a matter may be subject to disciplinary action, up to and including termination of employment.

## **8. UNIFORM APPLICATION OF THE CODE**

This Code will be enforced on a uniform basis for everyone, without regard to a Employee's position within the Company. If a Employee violates the Code, he or she will be subject to disciplinary action. Supervisors and managers of a disciplined Employee may also be subject to disciplinary action for their failure properly to oversee a Employee's conduct, or for retaliation against a Employee who reports a violation of the Code.

## **9. WAIVERS OF THE CODE**

Employees should understand that waivers or exceptions to the Company's Code will be granted only by the Audit Committee of the Board of Directors in advance and only under exceptional circumstances. Requests for waivers must be made in writing in advance to CDT's CEO and the Audit Committee Chairman.

**I have read and understood CDT's Code of Business Conduct and Ethics. In the event that I am informed of any modification to this Code, I agree to be bound by such modification unless I notify the Company to the contrary within 14 days.**

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Signature

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Name of Employee

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Date