



## **Code of Ethics for CEO and CFO**

Hydromer, Inc.

Passed May 12, 2004

Hydromer has a Code of Business Conduct applicable to all directors and employees of Hydromer. The CEO and CFO, are bound by the provisions of this Code of Business Conduct. In addition, the CEO and CFO are subject to the following additional specific policies:

1. The CEO and CFO are responsible for full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by Hydromer with the SEC. Accordingly, it is the responsibility of the CEO and CFO, promptly to bring to the attention of the Audit Committee any material information of which he or she may become aware that affects the disclosures made by Hydromer in its public filings.
2. The CEO and CFO must promptly bring to the attention of the Audit Committee any information he or she may have concerning (a) significant deficiencies in the design or operation of internal controls which could adversely affect Hydromer's ability to record, process, summarize and report financial data or (b) any fraud, whether or not material, that involves management or other employees who have a significant role in Hydromer's financial reporting, disclosures or internal controls.
3. The CEO and CFO must promptly bring to the attention of the Audit Committee any information he or she may have concerning any material violation of Hydromer's Code of Business Conduct, including any actual or apparent conflicts of interest between personal and professional relationships, involving any management or other employees who have a significant role in Hydromer's financial reporting, disclosures or internal controls.
4. The CEO and CFO must promptly bring to the attention of the Audit Committee any information he or she may have concerning evidence of a material violation of the securities or other laws, rules or regulations applicable to Hydromer and the operation of its business, by Hydromer, or of violation of the Code of Business Conduct or of these additional procedures.
5. Any person, employee or otherwise may report a violation of this Code to the Audit Committee. The Audit Committee shall determine, appropriate actions to be taken in the event of violations of the Code of Business Conduct or of these additional procedures by the CEO and CFO. Such actions will be reasonably designed to deter wrongdoing and to promote accountability for adherence to the Code of Business Conduct and to these additional procedures, and may include written notices to the individual involved that the Board has determined that there has been a violation, censure by the Board, demotion or re-assignment of the individual involved, suspension with or without pay or benefits (as determined by the Board), and termination of the individual's employment. In determining what action is appropriate in a particular case, the Board of Directors or its designee will take into account all relevant information, including the nature and severity of the violation, whether the violation was a single occurrence or repeated occurrences, whether the violation appears to have been intentional or inadvertent, whether the individual in question had been advised prior to the violation as to the proper course of action and whether or not the individual in question had committed other violations in the past.

THE BOARD OF DIRECTORS IS OBLIGATED TO TAKE ALL REASONABLE STEPS TO PREVENT A REPORTING INDIVIDUAL FROM ENDURING ANY RETALIATORY ACTION BY ANY EMPLOYEE OF THE COMPANY. THIS HOWEVER, IS NOT MEANT TO PROTECT AN ACCUSSER FROM DISCIPLINARY ACTION, IF IT IS FOUND THAT THE ALLEGATIONS HAD NO BASIS IN FACT.

The contents of this Code of Ethics shall be promptly posted on the Company's Web Site.  
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