

MAX & ERMA'S RESTAURANTS, INC.

CODE OF BUSINESS CONDUCT AND ETHICS

INTRODUCTION

The Company expects from each of its employees, officers and directors complete and undivided loyalty and business conduct consistent with the highest ethical standards. The Company's business has always been carried out in accordance with those standards, which call for a clear understanding of Company policies at all levels.

The purpose of this Code of Business Conduct and Ethics is to help employees, officers and directors recognize the ethical standards that must be practiced in the conduct of the Company's business. Each employee, officer and director must resolve to act honorably, with honesty and integrity, in compliance with all applicable domestic and foreign laws and regulations, and in accordance with the highest moral and ethical standards of responsibility and accountability in all dealings with our customers, potential customers, suppliers, public officials, competitors and each other.

All unethical business practices cannot be listed in this Code of Business Conduct and Ethics. The best guidelines are individual consciences and common sense in strict compliance with the law.

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EXPLANATION OF TERMS

As used in this Code of Business Conduct and Ethics, the term “Company” includes Max & Erma’s Restaurants, Inc. and each of its subsidiaries and affiliates, and the term “employee” includes all person employed by the Company, including the Company’s officers, and, where appropriate, members of an employee’s immediate family and persons living in an employee’s household. The term “Company Person” refers to all employees, officers and directors of the Company. Each employee is urged to consult with his or her own supervisor and, if appropriate, with legal counsel for the Company, if any questions arise about the applicability of Company policy in a given situation.

PURPOSE

The purpose of the Code of Business Conduct and Ethics is to deter wrongdoing and promote:

- (1) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (2) Full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with, or submits to, the Securities and Exchange Commission and in other public communications made by the Company;
- (3) Compliance with applicable governmental laws, rules and regulations;
- (4) The prompt internal reporting to an appropriate person or persons of violations of this Code of Business Conduct and Ethics; and
- (5) Accountability for adherence to this Code of Business Conduct and Ethics.

COMMITMENTS

The basic objective of the Code of Business Conduct and Ethics is to set forth the principles and beliefs which provide guidance and direction to our work and to build on the solid foundation we already have. The following commitments summarize these principles and beliefs which the Company makes to its business partners:

Customers - The Company is committed to providing the best customer experience of any competitive restaurant in the market through a total focus on the customer by providing high quality food, outstanding service and good value in a comfortable, informal and fun atmosphere.

Suppliers - The Company is committed to acting fairly in our dealings with suppliers and as equals in an effort toward establishing long-lasting relationships.

Employees - The Company is committed to maintaining for our employees an environment which promotes professional growth, encourages each employee to achieve his or her highest potential, and fosters individual creativity and responsibility within a framework of team effort, open communications, and equal opportunity.

Stockholders - The Company is committed to providing consistent growth and a superior return on their investment, and maintaining a position and reputation as an industry leader.

Community - The Company is committed to being a good citizen in our community and encourages our employees to serve their communities through volunteer activities and by conducting ourselves in an ethical manner in all aspects of our business.

POLICIES

1. Employee Relations

The Company's policy is to provide good jobs and to operate under sound and legal personnel policies. The Company's objective is to be equitable and fair in the treatment of all its employees and in all situations.

The Company will recruit, select, train, promote, compensate, discipline and release employees and take any and all other personnel actions based on each employee's qualifications and without regard to race, religion, national origin, sex, age, physical and mental handicaps (so long as the employee/applicant is qualified for the job) or veteran status. Compensation shall be in accordance with the employee's contribution to the Company, and compensation decisions shall also be made entirely independent of the foregoing considerations.

Company employees are expected to treat their colleagues and subordinates with respect and dignity. The abuse of the power and authority inherent in a supervisor/subordinate relationship which results in inappropriate and coercive actions or comments of a sexual nature is considered harassment. Such behavior is not only unethical but also illegal.

2. Proprietary Information

The business and technical information developed and acquired by the Company is among its most valuable assets. The value to the Company of these assets can be unwittingly destroyed by casual dissemination or the unauthorized release of such information to third parties not affiliated with the Company.

Proprietary information includes the Company's intellectual property, such as patents, trademarks, trade secrets and copyrights; business, operating and marketing plans; menus; records; internal memoranda and correspondence; research and other reports; microfilms, tapes, disks, drawings, and designs; internal data bases; specifications; personnel records and salary information; bid prices; cost information; and unpublished financial data and reports. Proprietary information includes data developed or purchased by us or entrusted to us by customers or suppliers.

All Company Persons are responsible for ensuring that the Company's proprietary information is properly used, employing adequate controls and safeguards. Sensitive information should be stored and protected on a need-to-know basis, precluding unauthorized access, use or removal. The removal of any files or records from the Company's premises, except by persons specifically authorized to do so, is strictly prohibited. Any unauthorized use or disclosure of proprietary information violates Company policy and is illegal with possible civil and criminal penalties.

3. Conflicts of Interest

No Company Person should have any personal interest that is incompatible with the loyalty and responsibility owed to the Company. Although it is not possible to identify every particular activity that might give rise to a conflict of interest, some of the more common circumstances and practices that might result in conflicts are set forth below.

a. Acceptance of Payments, Loans, Gifts, Etc., by Employees

Employees should avoid any payments, loans (except from a recognized lending institution on terms generally available to the public), non-monetary gifts of more than a nominal value (less than \$100) or excessive entertainment (greater than \$250) from third parties in connection with any business dealings on behalf of the Company.

b. Dealing with Suppliers and Customers

All Company Persons are expected to maintain impartial relationships with the Company's suppliers and customers. Company Persons must be motivated solely to acquire goods and services and make sales transactions on terms most favorable to the Company. In addition, Company Persons should not have an interest in any supplier or customer, except where such interest has been fully disclosed to the Company's President for a determination as to the materiality of such interest and the propriety of transacting business with such supplier or customer.

c. Dealing with Competitors

No Company Person may serve as an officer, director, employee or consultant of another company or organization which is a competitor of the Company without first obtaining the approval of the Company's President and Board of Directors.

d. Opportunities Resulting From Employment

The acquisition by a Company Person of any interest (for example, real estate, license rights, securities or any other type of property) or profit opportunity in which the Company has or might have an interest may create a conflict of interest. Any such contemplated acquisition should be fully disclosed to the Company's President.

e. Use of Confidential Information or Company Property

No Company Person may without proper authorization use or reveal any confidential information received in a Company capacity, or use or permit others to use Company property or services for personal purposes without authorization from a Company Officer.

4. Compliance with Law

All Company Persons must respect and obey the laws of the cities, states, and countries in which we operate. Although not all Company Persons are expected to know the detail of these laws, it is important to know enough to determine when to seek advice from managers, supervisors, or other personnel.

5. Illegal or Improper Payments

No personal payments of any kind, whether of money, services or property, may be offered or made directly or indirectly to any domestic or foreign public official (including employees or agents of, or consultants to, governmental organizations) or to any employee, agent or representative of any organization seeking or doing business with the Company. Bribes, kickbacks or the giving of anything of value to obtain business concessions to any individual or organization are prohibited. Normal and properly authorized business expenses such as reasonable business travel and entertainment, non-cash gifts of nominal value provided openly and according to established business practice, and products, demonstrations or visits to Company operations, are permitted.

6. Political Contributions

All domestic and foreign contributions by or on behalf of the Company of money, services or property to any candidate for or holder of federal, state or local office or to any political organization, party or committee are prohibited. For this purpose, contributions include the purchase of tickets to dinners or other fund-raising events or the purchase of advertising space in programs.

7. Antitrust Laws

Company Persons are expected to comply with the antitrust laws of the United States. It is contrary to Company policy to have any discussion, communication, agreement or understanding with any competitor concerning prices, pricing policy, discounts, promotions, terms or conditions of sale, purchases, territorial markets, costs or the like. Any understanding or agreement with another person to refrain from doing business with a supplier is against Company policy.

8. Accurate Accounts, Invoices, Documents and Records

All Company accounts, invoices, memoranda and other documents and records must be prepared and maintained with strict accuracy and completeness. All assets, liabilities, revenues and expenses must be recorded in the regular books of the Company in a manner consistent with Company policies and procedures. All employees shall give complete and accurate information in response to inquiries from the Company's Board of Directors, officers, independent auditors or legal counsel.

9. Financial Reports and Accounting Records

The Company requires full, fair, accurate, timely, and understandable disclosure in reports and documents that are filed with, or submitted to, the Securities and Exchange Commission and other regulators, and in other public communications made by the Company.

a. Accuracy and Completeness

Company Persons must ensure that the accounting and financial records of the Company meet standards of accuracy and completeness. Reporting accurate, complete and understandable information about the Company's business, earnings, and financial condition is an essential responsibility of all Company Persons. It is not the exclusive responsibility of the Company's accounting personnel to ensure that the Company's accounting and financial records are accurate and complete. If you have any reason to believe that any of the books and records are not being maintained in an accurate or complete manner, you are to report this immediately to your manager or the Company's President. If you do not wish to discuss an issue with your manager, you may confidentially call the toll-free Ethics Hotline number (1-800-___-____). Similarly, the Company relies on associates to speak up if they feel that they are being pressured to prepare or destroy documents in violation of the Company's policy. Company Persons also should speak up if they become aware that any misleading, incomplete or false statement has been made to an accountant, auditor, attorney or government official in connection with any audit, examination or filing with a government agency, such as the Securities and Exchange Commission.

b. Financial Statements and Accounts

Each Company Person is responsible for ensuring that the financial information within his or her control is recorded accurately and in a timely manner. All transactions must be recorded appropriately to ensure full accountability for all assets and activities of the Company, and to supply the data needed in connection with the preparation of the financial statements. If an associate is involved in the preparation of the Company's financial statements, he or she must do so according to generally accepted accounting principles and other applicable accounting standards and rules, so that the financial statements fairly and completely reflect the operations and financial condition of the Company.

c. Covering Up Mistakes; Falsifying Records

Mistakes should never be covered up, but should always be immediately fully disclosed and corrected. Falsification of any Company, customer, supplier or third party record is prohibited. In addition, no false, artificial, or deceptive statements or entries will be made in reports, business plans, books, records, accounts, documents, or financial statements, including the omission of entries if such omissions could be misleading.

10. Securities Laws and Insider Trading

a. The Company's Policy

The Company encourages its employees to invest in Company stock. However, the Company does not encourage employees to commit an unreasonable amount of their assets to the Company's stock, to buy the stock on margin, or to engage in frequent trading of the Company's stock.

If a Company Person has material non-public information relating to the Company, it is the Company's policy that neither that person nor any related person may buy or sell securities of the Company or engage in any other action to take advantage of, or pass on to others, that information. This policy also applies to material non-public information relating to any other company, including our customers or suppliers, obtained in the course of employment.

Transactions that may be necessary or justifiable for independent reasons (such as the need to raise money for an emergency expenditure) are no exception. Even the appearance of an improper transaction must be avoided to preserve our reputation for adhering to the highest standards of conduct.

b. Material Information

Material information is any information that a reasonable investor would consider important in a decision to buy, hold or sell stock. In short, any information which could reasonably affect the price of the stock is material.

Common examples of information that will frequently be regarded as material are: projections of future earnings or losses; news of a pending or proposed merger, acquisition or tender offer; news of a significant sale of assets or the disposition of a subsidiary; changes in dividend policies or the declaration of a stock split or the offering of additional securities; changes in management; significant new products or expansion plans; financial liquidity problems; and the gain or loss of a substantial customer or supplier. Either positive or negative information may be material.

c. Twenty-Two Hindsight

If your securities transactions become the subject of scrutiny, they will be viewed after-the-fact with the benefit of hindsight. As a result, before engaging in any transaction you should carefully consider how regulators and others might view your transaction in hindsight.

d. Transactions By Family Members

The very same restrictions apply to your immediate family members and others living in your household. Company Person's are expected to be responsible for the compliance of their immediate family and personal household.

e. The Consequences and Penalties

The consequences of insider trading violations can be staggering for individuals who trade on inside information (or tip information to others):

- 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 or exceeding \$1 million; and
- A jail term of up to ten years

In addition, the Company could be held liable for fines and penalties in certain instances. Equally important, such violations will seriously injure your reputation and that of your Company.

f. Tipping Information to Others

Whether this information is proprietary information about our Company or information that could have an impact on its stock price, employees must not pass such information on to others. The penalties apply whether or not you derive any monetary benefit from another's actions.

g. When Information is Public

As you can appreciate, it is also improper for a Company Person to enter a trade immediately after the Company has made a public announcement of material information, including earnings releases. Because the Company's shareholders and the investing public should be afforded the time to receive the information and act upon it, as a general rule you should not engage in any transactions until the third business day after the information has been released.

h. Company Assistance

Any person who has any questions about specific securities transactions may obtain additional guidance from Bill Niegsch, Executive Vice President and Chief Financial Officer (614-431-5800), or Curt Loveland, Esquire, of Porter, Wright, Morris & Arthur, the Company's outside legal counsel (614-227-2004). Remember, the ultimate responsibility of adhering to the policy statement and avoiding improper transactions rests with you. In this regard, it is imperative that you use your best judgment.

i. Directors, Officers and Access Group Employees

The Company's directors, officers, and certain other employees designated from time to time as Access Group Employees are also subject to other securities laws restrictions and reporting in addition to those involving material inside information. Directors, officers and Access Group Employees are expected to comply with the Company's Pre-Clearance Securities Trading Policy in addition to this Code of Business Conduct and Ethics.

11. Violations

Employees of the Company are expected to comply with this Code of Business Conduct and Ethics in all respects. The management of the Company is charged with great responsibility to the stockholders and to the public at large to see to it that the Company's dealings and affairs accord with the highest standards of business practice and ethics, and it is believed that the most effective way to carry out this responsibility is by strict enforcement of this Code of Business Conduct and Ethics. Accordingly, any employee who knowingly violates this Code of Business Conduct and Ethics, or knowingly permits a subordinate to do so, shall be subject to disciplinary action, including demotion or dismissal.

Employees will be expected promptly to disclose to the Company's President any acts or transactions known to such employee that may be in violation of this Code of Business Conduct and Ethics. Failure to report any such acts or transactions following their discovery shall also be grounds for disciplinary action.