

King Pharmaceuticals, Inc.
Comprehensive Compliance Program

(Adopted Pursuant to Cal. Health & Safety Code § 119402)

It is of utmost importance to King's board of directors and management that King, including its subsidiaries, operates its business in an ethical and lawful manner. King's Code of Conduct, available to the public through our website, emphasizes the fundamental principles of integrity that all directors, officers and employees of King must follow in conducting the Company's business. It is King's policy to work to prevent the occurrence of unethical or unlawful behavior, to halt any such behavior that may occur as soon as reasonably possible after its discovery, and to discipline those who engage in such behavior as well as individuals who fail to exercise appropriate supervision and oversight and thereby allow such behavior by their subordinates to go undetected or unreported.

King established and maintains a Corporate Compliance Office, including a Corporate Compliance Officer that reports directly to the Chief Executive Officer and has direct access to the Audit Committee of the Board of Directors. King's Executive Management Team supports and advises the Corporate Compliance Officer and the Corporate Compliance Office in the execution and oversight of the King corporate compliance program. The Corporate Compliance Officer is obligated to report to the Audit Committee any serious and substantial compliance issue that is not appropriately resolved or addressed by management.

The mission of the Corporate Compliance Office is to promote, foster and sustain a culture in which compliance with laws, regulations, internal policies, and adherence to high standards of ethical conduct is the expected norm. Consistent with this mission, the Corporate Compliance Office is expected to work to prevent, detect, and promptly remedy violations of laws and Company policies, including the King Code of Conduct, and promote a system of internal control. The Corporate Compliance Office also is responsible for working with King management and employees to execute King's compliance program consistent with the Compliance Program Guidance for Pharmaceutical Manufacturers issued by the Department of Health and Human Services Office of the Inspector General (the "OIG Guidance"), industry guidance set forth in the Pharmaceutical Research and Manufacturers of America Code on Interactions with Healthcare Professionals (the "PhRMA Code"), and applicable legal and regulatory requirements.

King has written policies and procedures which demonstrate the Company's commitment to compliance. For example, King's Code of Conduct prohibits its directors, officers, employees and agents from paying or receiving bribes, payoffs, kickbacks, certain gifts, entertainment perks or entering into any arrangement, directly or indirectly, that may be considered illegal or unethical.

In addition, King policy requires employees and agents at all times to strive to interact with healthcare professionals in a manner that complies with certain standards established by industry and professional groups. King policy adopts the PhRMA Code, and the Company has additional policies on certain issues addressed by the PhRMA Code and OIG Guidance, such as policies on educational grants, meals and entertainment, and arrangements with consultants and speakers. Policies for the making of educational grants and consulting and speaking arrangements prohibit offering or providing an educational grant or an arrangement with the intent of, directly or indirectly, implicitly or explicitly, influencing or encouraging the recipient to purchase, prescribe, refer, sell, arrange for the purchase or sale, or recommend formulary placement of any King product. King also has policies and procedures regarding the provision of discounts and rebates to help ensure that such price concessions are consistent with all applicable federal requirements. King has policies to aid the Company in complying with the U.S. Food and Drug Administration's regulations regarding the promotion of King products, as well as policies requiring that sampling of King drug products be consistent with the Prescription Drug Marketing Act. King also has policies requiring that submissions of data to Federal and state governments by King used to determine government reimbursement be complete and accurate. King policy requires screenings to identify employees, contractors, agents, board members, and owners who may be excluded and/or debarred from Federal government programs. King policy also requires awareness and compliance with the requirements of the Federal Health Care Programs (including Medicaid Drug Rebate Law, Medicare Program, 340B Drug Pricing Program, Veterans Administration Pricing Programs, and TRICARE).

As required by the California Health & Safety Code section 119402, with specific reference to the provision of gifts, promotional material or items or activities that a pharmaceutical company may provide to an individual medical or health professional, as of July 1, 2009, King has established an aggregate annual dollar limit of \$2,000 per California medical or health professional for the period July 1, 2009 through June 30, 2010. The aggregate annual dollar limit is based on an estimate and may be revised from time to time by King. The Company intends to not spend beyond the established aggregate annual dollar limit on any California medical or health professional with whom the Company interacts. In accord with the most recent version of the PhRMA Code, on January 1, 2009, King ceased the distribution of promotional and non-educational items to health professionals.

King's Corporate Compliance Office has oversight responsibility with respect to functional areas, such as Regulatory Affairs, Quality and Sample Accountability, whose roles include providing assurance that the Company complies with laws and regulations. The Corporate Compliance Office includes an internal audit function. King conducts audits from time to time to examine and evaluate the adequacy and effectiveness of the Company's system of internal control and quality of performance.

King views compliance as a shared responsibility. Although the Corporate Compliance Office takes a leadership role in making compliance a priority, management and employees have primary responsibility for implementing and complying with internal

controls. Managers are responsible for promoting compliance with legal, regulatory and internal requirements, and for communicating instances of noncompliance to the Corporate Compliance Office along with Human Resources for appropriate enforcement and disciplinary action.

All employees are required to review, understand and abide by the King Code of Conduct. Every King employee is expected to learn about, understand, and follow King policies applicable to their job responsibilities. King provides regular education and training of employees with respect to compliance matters. For example, certain compliance training focuses on King's Code of Conduct which includes discussion of King's policy on gifts, compliance with laws and Company policies, conflicts of interest, reporting violations, and other topics found in the Code of Conduct.

Each employee is to act with the highest level of integrity in all business activities and to comply with applicable laws, King policies and the King Code of Conduct. Adherence to the King compliance program is an element considered in evaluating the performance of management and employees. Each employee is responsible not only for monitoring and enforcing the King Code of Conduct within his or her area of responsibility, but also for actively promoting it by personal example. Failure by any director, officer or employee to comply with the laws or regulations governing King's business, the King Code of Conduct, or any other Company policy or requirement may result in disciplinary action, up to and including termination, and, if warranted, legal action.

King employees understand that if they are aware or become aware of any violation of the law or the King Code of Conduct, they are to promptly notify the person or persons indicated by the relevant portions of the King Code of Conduct and, if the employee believes that a reported violation of the King Code of Conduct is not being addressed satisfactorily, the employee is to contact King's Compliance Office or King's Ethics and Compliance Helpline as described in more detail below. The identity of any individual reporting a violation will be kept confidential, to the extent legally permissible. Although employees are encouraged to identify themselves when reporting a violation, anonymous reports are accepted. King policy provides that appropriate steps will be taken to prevent retaliation against an individual reporting a violation. Any employee, including any officer, involved in retaliation will be subject to serious disciplinary action by the Company.

Once a report of a compliance violation is made, under King policy, the Corporate Compliance Office promptly investigates such report and ensures that any necessary remedial action is taken. In addition, if the Corporate Compliance Officer or General Counsel believes a violation of law may have occurred, King policy requires either to promptly advise King's Chief Executive Officer and/or the Board of Directors to determine whether and when the violation should be disclosed to the appropriate authorities.

To assist in and encourage compliance with the King Code of Conduct and reporting of improper business practices, King has a toll-free telephone number, the King

Pharmaceuticals Ethics and Compliance Helpline, operated by an independent third party. The Helpline is available 24 hours a day, 7 days a week. The phone number is included in a Helpline brochure and wallet card distributed to all Company employees. Beginning in May 2009, employees can also make anonymous reports through a secure internet site managed by the same independent third party as the Helpline. Employees also may contact the Corporate Compliance Office directly regarding a violation. A log of information obtained through the Helpline is maintained by the Corporate Compliance Office. The Corporate Compliance Office is responsible for initiating or referring to the appropriate department or personnel an investigation of Helpline complaints received and for recording the referral, and, if appropriate based on the circumstances, the outcome of such investigation.

In addition to investigating and addressing reports of violations, the Corporate Compliance Officer provides periodic reports to the Audit Committee and, at least quarterly during its regularly scheduled meetings, the Audit Committee and the Corporate Compliance Officer meet in a private, confidential session with no other members of management in attendance. At least annually, the Corporate Compliance Officer reports to the full Board on the status of the compliance program. The Corporate Compliance Officer also periodically reports Helpline activity to the Chief Executive Officer and/or Board of Directors.

King recognizes that the implementation of a compliance program may not entirely eliminate improper conduct from its operations. However, a good faith effort by the Company to comply with applicable statutes and regulations as well as federal health care program requirements, demonstrated by its compliance program, may reduce the risk of unlawful conduct and any penalties that result from such behavior. Based on our information and belief, King is in compliance with both our Comprehensive Compliance Program and the California Health & Safety Code section 119402 in all material respects. This declaration is dated July 1, 2009.

A copy of this document describing King's Comprehensive Compliance Program may be obtained by calling the toll-free number 1-888-431-KING (888-431-5464).