

Corporate Code of Conduct and Ethics

Our Company, Our Code, Our Commitments



Approved by the Board of Directors February 2009

our company

What we do helps improve the quality of life for millions of people.

our code

The guidelines for how we do business are set forth in our Corporate Code of Conduct and Ethics.

our commitments

How well we follow our Code directly impacts our reputation, which in turn directly impacts our success.

A Message to all Directors, Officers and Employees

Together we produce medicines that help millions of people live healthier lives, and together we carry significant responsibilities.

Foremost among these responsibilities is the obligation to conduct our business and ourselves with exceptional integrity, especially as we continue to expand in the pain market. We meet our obligations by complying with the various laws, rules and regulations that apply to the industries and the countries in which we operate, and by adhering to the ethical standards outlined in our Corporate Code of Conduct and Ethics and other Company policies. The Code summarizes the fundamental principles that each of us — directors, officers, and employees — must follow in conducting our business.

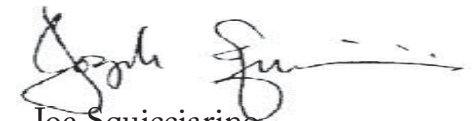
Be sure to make time to read this material and understand the obligations we share. Each of us is personally accountable for following our Code and for working together to live up to the expectations it creates.

Let's continue to do great work for those who depend on us.

Sincerely,




Brian Markison
Chairman, President and Chief Executive Officer



Joe Squicciarino
Chief Financial Officer



Rick Brouillette
Corporate Compliance Officer



Jim Elrod
Chief Legal Officer

our responsibilities

Our Code embodies the responsibilities we have as directors, officers and employees of King Pharmaceuticals, Inc.

We must always conduct business with integrity. Our reputation — and thus our success — depends on our adherence to the professional and ethical standards outlined in our Code.

Integrity:

- adhering to moral and ethical principles
- soundness of character
- honesty

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at a glance

Ethics are:

- the rules of conduct recognized by a particular group or culture
- moral principles

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understanding terms found in the Code

The Code includes terms that may be unfamiliar. A Glossary of Terms is included at the end of the Code to help understand those terms.

Whenever a word is used in our Code that can be found in the Glossary, that word is underlined and appears in [light blue](#).

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Important Corporate Policies and Procedures referenced in the Code.

Glossary of Terms

Key terms found in the Code.

Certification

Your agreement to abide by the Code.



About Our Code

Our Guiding Principles

PASSION

Our Leadership Model, Your PART, emphasizes passion — meaning, do we truly care about the quality of our work, do we stand up for what we believe in, and do we constructively challenge others to arrive at the best results for the Company?

The same passion that underlies our desire to deliver results should apply to knowing, understanding and following our Code, which helps us each do the right thing every day — for ourselves, our Company, our coworkers, our community and our shareholders.

Ask yourself:

- Am I leading by example by passionately practicing the principles outlined in the Code?
- Throughout my day, do I show that I know the rules and play by them, and inspire others to do the same?

Part of King's success depends upon each of us following the principles of excellence and integrity in our Corporate Code of Conduct and Ethics. Our Code reminds us of our critical responsibilities.

Guiding Principles

- Our Board of Directors, in consultation with management, has adopted this Corporate Code of Conduct and Ethics (the Code), which generally describes the standards of conduct expected from each director, officer, and employee of King Pharmaceuticals, Inc., including its subsidiaries and affiliates (King or the Company).
- Every director, officer and employee of King is responsible for becoming familiar with our Code and for complying with it. All managers are responsible for encouraging their employees to become familiar with the Code and to understand how it applies to their job responsibilities. All directors, officers and employees must periodically acknowledge receipt of the Code and indicate that they will abide by it.
- Day-to-day communication regarding the important principles in the Code is strongly encouraged. We should feel free to ask our supervisors any questions about these principles.
- We must fully comply with all laws, relevant industry standards and other requirements that apply to us.
- When our Code is more restrictive than local laws, we will comply with the Code. However, if the Code violates a local law or regulation, we must follow the local requirement.

ethics and compliance helpline

1-800-589-3412

- Confidential
- Toll-free
- Can be anonymous
- 24 hours/7 days a week
- Administered by an independent third-party

For employees outside the U.S. and Canada, see the section titled *Our Duty to Speak Up* for international dialing instructions.

where to find CPPs

You can find and review our Corporate Policies and Procedures (CPPs) online in Axentis, our electronic compliance system. CPPs are stored in the Axentis *File Cabinet*, under the section titled *Documents*. CPPs are in the CPP folder and are indexed alphabetically and by issuing department.

In addition, see the *Resources* section for a list of important CPPs referenced in the Code.

Guiding Principles

- Failure by any director, officer, or employee to comply with the laws or regulations governing our business, our Code or any other Company policy may subject the Company and the individual to liability, fines, penalties, imprisonment and sanctions. It may also result in corrective action up to and including termination, and, if warranted, legal action. For more information, see *Corrective Action Process* (CPP-HR003).
- Part of our commitment to [integrity](#) and ethical business practices includes our obligation to report violations of our Code, our other policies and the law. We must come forward with any concerns about compliance with our Code and seek the appropriate guidance whenever there is doubt about the right thing to do. One way to do so is through the Ethics and Compliance Helpline.
- Waivers of Code provisions will be granted only in exceptional circumstances by our Chairman, President and Chief Executive Officer. For directors and executive officers of the Company, any waiver requires approval from the Board of Directors and prompt public disclosure when required by law or stock exchange regulation.
- Each of us should periodically review the *Employee Handbook*. We must also know the Corporate Policies and Procedures (CPPs), Departmental Operating Procedures (DOPs), and Standard Operating Procedures (SOPs) applicable to our jobs.



Our Legal Responsibilities and Industry Standards

*Important laws, regulations, industry standards,
and other requirements we must follow.*

if there is a conflict

To ensure compliance with the highest standards of conduct, we require that when our Code is more restrictive than the requirements of another country, we will comply with the Code. However, if the Code violates a law or requirement of another country, we must follow the law or requirement of that country.

do you know?

Q: Is it appropriate to send the top prescribers of our human pharmaceutical products on free cruises?

A: No. Such gifts may be considered to be kickbacks. We cannot give to prescribers gifts that may be viewed to be inducements or rewards for increased prescription volume or business. Such gifts could violate Anti-Kickback Statutes.

We must fully comply with all laws, relevant industry standards and other requirements that apply to us.

We must understand and follow relevant federal and state laws and regulatory requirements and the laws and regulatory requirements of the countries in which we do business, as well as the listing requirements of the New York Stock Exchange. We're committed to complying with all requirements that apply to us. Each of us must be familiar with them, not just because of the substantial penalties associated with violations, but because it's good business and the right thing to do.

King does business in a number of countries outside the United States; therefore, we are subject to a variety of legal and regulatory requirements established by the governments of other countries. When our Code is more restrictive than the requirements of another country, we will comply with the Code. However, if the Code violates a law or requirement of another country, we must follow the law or requirement of that country.

Major laws, regulatory standards and industry guidance that apply to our Company are summarized in this section.

Anti-Kickback Statutes

In the U.S., federal and state laws prohibit anyone from [knowingly and willfully](#) receiving or paying anything of value (for example, [kickbacks](#), [bribes](#) and [rebates](#)) either directly or indirectly to influence the referral of federal healthcare program business, including [Medicare](#) and [Medicaid](#).

To help prevent violations of these statutes, in the U.S. we adhere to the Pharmaceutical Research and Manufacturers of America (PhRMA) Code on Interactions with Healthcare Professionals, which we have adopted as policy in *Interactions with Healthcare Professionals* (CPP-CO003). Our U.S. pharmaceutical business also follows the OIG Compliance Program Guidance for Pharmaceutical Manufacturers. See our policy *The OIG's Compliance Program Guidance for Pharmaceutical Manufacturers* (CPP-CO004).

do you know?

Q: During a trade show, I talked with managed markets representatives from two of our competitors. One representative mentioned that his company's profit margins had not been as good as they once were. Another complained about having to offer discounts to gain business. I didn't say anything and just listened. Over the next few weeks, the two companies involved raised their prices. Should I be concerned?

A: Yes. This discussion could be interpreted as an agreement to fix prices whether you said anything or not. Be aware of this risk, and immediately end or leave any conversation about prices among competitors. Report such conversations to the Legal Department as soon as possible.

Antitrust and Competition Laws

We strictly prohibit any activity that may be considered to be a restraint of trade, an unfair business practice, [price fixing](#) or unfair competitive behavior.

In the U.S., the European Union and many other countries, certain activities that hinder free competition among companies may violate local law. Although the applicable laws may vary from country to country, overall they prohibit activities that include:

- setting prices among [competitors](#),
- restricting production,
- allocating the available market among competitors (agreements not to sell),
- refusing to deal with a supplier or customer,
- limiting the [quality](#) or type of a product or service, or
- limiting [warranties or guarantees](#).

Each of us who is responsible for an area of business where these laws apply has a duty to understand their requirements. These laws are complex, vary from country to country, and penalties imposed for violations can be severe. Consult the Legal Department before taking action.

Our Pricing Committee helps ensure that we make good economic pricing decisions that comply with relevant laws. For more information about the Committee and its functions, read *Pricing Committee* (CPP-MK001).

do you know?

Q: I was contacted by a prescriber who represents a group of physicians that provides medical aid in developing countries around the world. The prescriber indicated that other companies have donated short-life and expired products to the organization and would like to know if King would be willing to participate in the program. How should I respond to the prescriber?

A: The export laws related to finished products are complex and highly regulated. You should read *Donations of Pharmaceutical Products* (CPP-PA003), gather details about the program, and seek the advice of the Legal Department before responding to the prescriber.

Economic Sanctions, Embargoes and Boycotts

King operates in countries outside the United States and, therefore, is sometimes subject to [economic sanctions](#) and [embargoes](#) maintained by various governments. These sanctions may apply to individuals or groups of people, including:

- terrorists and organizations that sponsor terrorism,
- entities involved in the proliferation of weapons of mass destruction,
- international narcotics traffickers.

U.S. law and the laws of other countries where our Company does business prohibit or restrict direct or indirect dealings with or in certain countries.

We comply with applicable sanctions and embargoes consistent with U.S. law. We also comply with U.S. laws which prohibit participating in the economic boycotts of other countries. We may be obligated to report any request by a foreign government to support a [boycott](#) promptly to the U.S. government. Any such request must be reported immediately to the Legal Department.

Participation in certain boycotts may also violate laws of other countries.

Export Laws

U.S. export control laws restrict the export of goods, software and technology from the United States to certain foreign countries. Both the U.S. Food and Drug Administration (FDA) and the U.S. Customs Service also regulate the export of approved and unapproved products and related items. For questions about U.S. export laws, contact the Legal Department.

do you know?

Q: If a healthcare professional, without any prompting, asks about an [off-label](#) use of a product, which of the following are appropriate responses by the sales representative?

- A. Repeat the approved use of the product
- B. Refer the question to Professional Information Services in the Company's Medical Affairs Department
- C. Refer the professional to another healthcare professional known to be prescribing the product for off-label use
- D. Give the professional materials on the topic that you've found but that the Company has not yet approved for distribution

A and B are correct; C and D are not.

False Claims Laws

Any person or firm who knowingly presents or causes a false claim to be submitted for payment to the U.S. government may be liable under the federal False Claims Act and other laws. There are also state false claims laws that prohibit false submissions to federal and state governments.

The False Claims Act also prohibits one from knowingly making or using a [false statement](#) to cause a false claim to be paid by the federal government or its carriers, other claim processors, or state [Medicaid](#) programs. A pharmaceutical company can violate this law by engaging in improper promotional activities, which result in the submission of claims to [Medicare](#) or Medicaid that should not be reimbursed.

Our CPPs and DOPs require any and all data that is submitted to government officials be complete and accurate.

The Food, Drug and Cosmetics Act

We must comply with all applicable laws, rules and regulations governing the manufacturing and distribution of drugs in the U.S. and in other countries where we do business. The U.S. Food, Drug and Cosmetics Act (the FDCA) establishes a number of requirements regarding the production, sale and distribution of human and animal drugs. The FDCA prohibits altering or [misbranding](#) drugs.

The FDCA also prohibits marketing a drug or use that has not been approved by the FDA, or in a way that is inconsistent with a drug's labeling. Promoting unapproved products and unapproved uses of approved products, or making unapproved or unsupported claims about a product's effectiveness or characteristics, may be viewed by the FDA as promotional advertising that fails to meet FDA regulatory requirements and therefore is unlawful [off-label promotion](#) that violates the FDCA.

The FDCA also applies to clinical investigations of certain drugs, including new drugs. The FDA implements FDCA regulations, and is one of several agencies charged with enforcing them.

do you know?

Q: I was asked to use a customs agent in a foreign country because he has a reputation for getting things done. The agent has guaranteed that we'll pay a lot less in customs duties if we pay his fee in advance, in cash. Should I use this agent to save the Company money?

A: Just because there could be a lower cost to the Company doesn't make using the agent right. The agent's guarantee and request to be paid in cash are a red flag signaling potential problems. Under the FCPA, both you and the Company could be held responsible for what this agent does. The FCPA prohibits [bribes](#) for any improper purpose, including reduction of customs fees.

Foreign Corrupt Practices Act

We must comply with the U.S. Foreign Corrupt Practices Act (FCPA), and with similar laws elsewhere, that apply to payments to government officials or employees of other countries.

Under the FCPA, it is illegal for U.S. corporations and individuals to pay, offer to pay or authorize the payment of anything of value to influence any foreign government official, government staff, political party or candidate to gain or keep business. Violations may result in corporate and individual fines and jail terms.

The FCPA permits certain nominal "facilitating" payments to lower level non-U.S. government staff to expedite a clerical service that would otherwise be unreasonably delayed or withheld. However, only payments which are specifically allowed by *Ethical Business Practices and Compliance with Anti-Bribery Laws* (CPP-CO008) are permitted.

In addition, the FCPA requires U.S. corporations to maintain accurate accounting records.

healthcare CPPs

Code of Conduct for Medical Science Liaisons (CPP-MA001)

Compliance with Federal Health Care Program Requirements (CPP-LE014)

Consultant and Speaker Arrangements with Healthcare Professionals and Customers (CPP-LE004)

Educational Grants (CPP-LE001)

*Government Pricing Compliance (CPP-GC100)**

Interactions with Healthcare Professionals (CPP-CO003)

King Pharmaceuticals, Inc. Drug Sampling Program (CPP-SM001)

The OIG's Compliance Program Guidance for Pharmaceutical Manufacturers (CPP-CO004)

Research Grants for Investigator-Initiated Clinical Research (CPP-LE013)

Review and Approval of Promotional, Educational, and Training Materials (CPP-MK002)

Travel and Entertainment Expense Reimbursement (CPP-AP602)

Use of Approved Company Materials by Sales Representatives (CPP-RG001)

*See Axentis for a complete listing of relevant CPPs on this and other topics.

Government Healthcare Programs

We must comply with the laws relating to government healthcare programs in each country where we do business.

In the U.S., many King products are reimbursed or purchased by federal healthcare programs. We are committed to complying with the laws, regulations and written directives of the federal healthcare programs in which we participate, including those related to the contracting, price reporting, and marketing, selling, promoting and advertising of our products.

These programs include:

- [Medicare](#) (in particular, Part D, which subsidizes the cost of prescription drugs for Medicare beneficiaries),
- the [Medicaid Drug Rebate Program](#),
- the [340B Drug Pricing Program](#),
- the [Veterans Administration Pricing Programs](#) (as set forth in the Federal Supply Schedule and Veteran's Healthcare Act of 1992), and
- [TRICARE](#), the Department of Defense's worldwide health care program for uniformed service members and their families.

To the extent we are involved with these programs, each of us is obligated to comply with all requirements imposed by these programs plus our own CPPs and DOPs. King employees, contractors, subcontractors, agents and other persons performing government pricing and Medicaid Drug [Rebate](#)-related functions, and those who negotiate with Medicare Part D plans, must possess detailed knowledge and expertise on program requirements.

Actual or potential violations of the requirements of these programs or our policies must be reported to the Legal Department or the Corporate Compliance Office. You may also report any violation using our Ethics and Compliance Helpline.

do you know?

Q: While counting his inventory, a sales representative determined he had not accounted for all the samples he had left on a recent call. The next day after calling on a practitioner he overstated the amount of samples he had provided the physician to reconcile his inventory. Is this an acceptable practice?

A: No. The representative falsified records which has serious implications for him and the Company. He has engaged in fraud and violated the PDMA. Penalties for violating the PDMA include up to \$250,000 and/or a prison term of not more than 10 years. In situations like this, sales representatives should contact the authorized sample distribution vendor and document the inventory discrepancy immediately.

Prescription Drug Marketing Act

We must comply with all applicable requirements regarding the proper uses and tracking of drug samples, including the U.S. Prescription Drug Marketing Act (PDMA), and similar laws, rules and regulations in other countries where we do business.

Among other things, the PDMA prohibits the selling, purchasing or trading of prescription drug samples or coupons. Samples may be distributed only to:

- practitioners licensed to prescribe such drugs, or
- pharmacies of hospitals or healthcare entities, at the request of such licensed practitioners.

Drug samples may be distributed only if requested in writing by a validated licensed practitioner and using a process that requires a return receipt to the manufacturer or distributor.

Our CPP *King Pharmaceuticals, Inc. Drug Sampling Program* (CPP-SM001) details our obligations for sample record keeping, handling and distribution.

State Marketing and Disclosure Laws

In the U.S., certain states have enacted laws affecting pharmaceutical marketing and advertising practices or that require disclosures of product pricing, promotional spending, and other matters. We must all be aware of and comply with these state laws.

ACCOUNTABILITY

Each of us is accountable for abiding by our Code every day. Through this personal commitment, we will make business decisions that are in the best interests of King and our shareholders.

Ask yourself:

- Are my actions legal?
- Are my actions ethical?
- Am I being fair and honest?
- Do I blame others, or do I take responsibility?
- Do I speak up when I see or am aware of a violation of Company policy?
- If I were testifying in court and asked to explain what I had done, how would I respond?
- How would my actions look if they were reported on a newspaper's front page?

Office of Inspector General Compliance Program Guidance for Pharmaceutical Manufacturers

The U.S. Department of Health and Human Services, through its Office of Inspector General (OIG), polices healthcare fraud and abuse in the U.S. and provides recommendations for pharmaceutical manufacturers to consider in establishing compliance programs.

The OIG Guidance identifies three major risk areas for manufacturers, and encourages proper practices in each:

- [integrity](#) of data on pricing and price reporting to the government,
- [kickbacks](#) and other payments,
- drug samples.

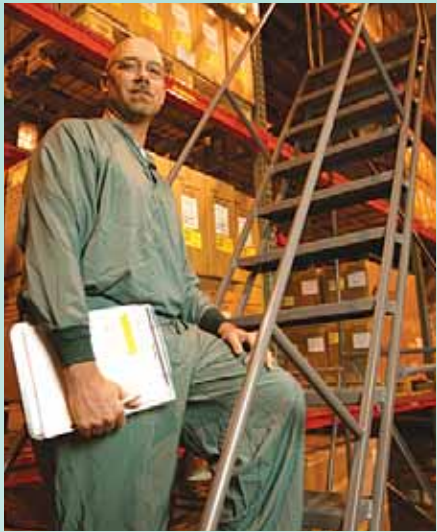
We follow the recommendations from the OIG Guidance in our U.S. pharmaceutical business practices as set forth in *The OIG's Compliance Program Guidance for Pharmaceutical Manufacturers* (CPP-CO004).

The PhRMA Code

The PhRMA Code outlines how we are to conduct ourselves when dealing with healthcare professionals in the U.S. King has adopted the PhRMA Code as policy in *Interactions with Healthcare Professionals* (CPP-CO003). For more information, see the section *Our Responsibilities in the Marketplace — Our Relationships with Healthcare Professionals* in the Code.

You should become familiar with and follow other industry codes that may affect you where King does business in other countries, for example, the Rx&D Code in Canada.

Our sales and marketing practices worldwide must meet or exceed the minimum standards set by applicable laws, regulations and codes.



Our Responsibilities in the Marketplace

Practices we follow in our business interactions with those outside King.

at a glance

A “yes” answer to any of these questions suggests a potential conflict of interest:

- Do I or a family member have a financial interest in any company that does business with or competes with King?
- Do I spend time on outside work during business hours?
- Do I or a family member accept valuable or frequent gifts from Company suppliers, customers, or [competitors](#) that could influence my business decision-making?
- Am I in a position to hire or directly supervise a spouse, relative, or close friend?
- Am I in a position where my judgment could be clouded in making a business decision that’s best for King?

At King, we strive to be a trusted leader in the marketplace. Abiding by the guiding principles of our Code helps us earn the trust to build a sustainable and profitable corporation.

Conflicts of Interest

A [conflict of interest](#) exists when a person’s private interests interfere — or even appear to interfere in any way — with the interests of the Company. A conflict can arise when a director, officer, or employee takes actions or has interests that may make it difficult to perform his or her Company work objectively and effectively. Conflicts of interest also arise when a director, officer, employee, or a member of his or her family, receives improper personal benefits as a result of his or her position in the Company.

We must always conduct business in the best interests of our shareholders and not ourselves or others. Thus, private interests and opportunities for personal gain should never interfere or appear to interfere with the interests of the Company. No business decision should ever be influenced by a personal interest in or relationship with any individual or organization that does or seeks to do business with King. Conflicts of interest and potential conflicts of interest must be avoided.

No King employee nor any member of our families should ever accept anything of value from any organization that deals with King, if its acceptance could influence or appear to influence our business decisions. We do not want to be perceived as being influenced inappropriately, regardless of whether an action is illegal.

Corporate Opportunities

Opportunities discovered through the use of corporate [property](#), information or position must not be used for our personal advantage or gain at the expense of the Company. We may not, directly or indirectly, compete with the Company. We have a duty to advance the Company’s legitimate interests at every opportunity.

general gift guidelines

- Only give or accept gifts that are inexpensive and considered common business courtesies.
- Never accept cash, checks or gift certificates from anyone outside the Company.
- Exercise good judgment in following our gift policies.
- If ever in doubt, contact the Corporate Compliance Office.

do you know?

Q: A vendor promised to send me on a free vacation to Florida if I chose the vendor for a Company-wide project. What should I do?

A: You should tell the vendor you can't accept because it creates a conflict of interest. There could be a perception that the vendor was chosen because of the gift and not because the vendor was the best choice for the Company. Discuss with your supervisor whether the vendor should be disqualified from bidding.

Competitive Information

We may collect information about King's [competitors](#) from legitimate sources to evaluate their products, marketing methods and other practices. It is not permitted to gather this information by improper methods. Some improper methods are:

- theft of information,
- attempts to acquire [confidential information](#) from a new King director, officer or employee who formerly worked for one of our competitors, and
- deceiving a competitor to obtain confidential information.

Fair Dealing

We are committed to honest business competition that is in the best interests of our shareholders. We discourage and never seek competitive advantages through illegal or unethical activities, and we deal fairly with our customers, suppliers, competitors, and employees. No employee should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any [unfair dealing](#).

Examples of unfair competition that would not be tolerated by the Company include:

- making untrue or deceptive [statements](#) in order to induce a party to enter into a contract,
- committing [industrial espionage](#) to acquire a competitor's trade secrets,
- making false, misleading or untruthful comments about competitors' products or services, or
- making unfounded or misleading claims about the Company or its products.

Questionable Payments, Gifts or Contributions

How we handle payments, gifts or contributions is especially important to how we are perceived in the marketplace. To preserve our standards of [ethics](#) and [integrity](#), we prohibit the direct or indirect payment or receipt of [bribes](#), [payoffs](#), [kickbacks](#), certain gifts, entertainment or anything that may be considered illegal, unethical or compromising.

do you know?

Q: Our business supplies drug delivery systems to the U.S. Government. My customer is the Department of Defense (DoD). I want to invite the DoD purchaser to dinner at a restaurant — and pay for his meal — so I can make a presentation on our new drug delivery technology. Would this be permissible?

A: No. We should not provide anything of value to government employees or officials without advance approval from the Legal Department.

do you know?

Which could you do without violating our Code?

- A. Accept four tickets to the Super Bowl from a supplier
- B. Accept a box of chocolates from a vendor on your birthday
- C. Take a non-government vendor out for a modest lunch in a restaurant

B and C are acceptable; A is not.

Gifts to Government Officials

We do not give gifts, cash payments, or other compensation to any foreign or domestic government official without advance clearance from the Legal Department. Payments of this kind to foreign government officials can violate the FCPA. It is imperative that we avoid even the appearance of inappropriate action with anyone charged with making or enforcing the laws, regulations and rules that apply to our Company.

Gifts to and from Customers and Suppliers

We comply fully with all relevant laws, guidance, and standards that permit only certain types of [inducements](#) to purchasers of our products. In addition, we do not accept certain entertainment or gifts from any individual or organization with whom the Company does business, except those items of [nominal value](#) customarily exchanged in the course of business. Different requirements apply to gifts to healthcare professionals; see the section in the Code titled *Our Relationships with Healthcare Professionals*.

In certain cultures, refusing a gift from someone with whom we do business may damage our business relationship with that person. If you do business in one of these cultures, you should consult with your manager and the Legal Department about how gifts should be treated.

do you know?

Q: My supervisor asked me to “clean up” some batch records before a visit from an FDA inspector. Is this all right?

A: Clarify with your supervisor what he means by “clean up”. If the direction is to organize documents for the FDA inspector’s visit, this is an acceptable request.

However, if the suggestion means that you alter or destroy Company records, the request is inappropriate. The direction and action on it violates Company policy.

at a glance

Pharmaceutical products may be [recalled](#) when a marketed product, including its labeling and/or promotional literature, potentially violates the laws administered by the FDA.

Examples include:

- Failing stability data,
- Discovery of labeling errors,
- Discovery of product quality defects that may affect product safety.

Advertising Standards

We advertise, promote and label our products consistently with the requirements of federal and state agencies, including the Federal Trade Commission, the FDA, the Health and Human Services Department and with applicable laws and requirements of other appropriate regulatory agencies in other countries. Publicly disseminated material must not be false, misleading or deceptive.

Product Quality

We strive to develop and manufacture products in compliance with all relevant product [quality standards](#), including current [Good Clinical Practices \(cGCPs\)](#), [Good Laboratory Practices \(cGLPs\)](#), [Good Manufacturing Practices \(cGMPs\)](#), and other applicable regulations set forth by the FDA or other appropriate regulatory agencies and consistent with the requirements of other countries where we do business. We also work to ensure that all of our development, manufacturing, and quality processes are appropriately documented and followed at all times.

Each of us has a responsibility to see that our products meet all applicable government regulations and Company standards. We must not misrepresent, to any person inside or outside the Company, the condition or status of our products.

When we become aware of any adverse events associated with any of our products, we are obliged to report them in accordance with Company policy and local law.

at a glance

If you hold or seek to hold political office, you must do so on your own time and must ensure that there are no impermissible conflicts of interest with the Company.

executive officers

- Chief Executive Officer
- Chief Financial Officer
- Chief Commercial Officer
- Chief Science Officer
- President, Alpharma Animal Health
- Chief Legal Officer
- Corporate Compliance Officer

Charitable Donations

We support many worthy causes, organizations and activities. When we do so, we comply with relevant legal and regulatory requirements, applicable codes and our Company policies. We do not make decisions or contributions to induce business or to promote our products.

Our commitment to responsible community involvement often prompts requests for contributions from King. To manage these requests efficiently and avoid placing any employee in an uncomfortable situation in dealing with such requests, we manage all our [philanthropic efforts](#) in accordance with our policy on philanthropic activity, *Company Philanthropic Activity* (CPP-PA002).

Requests for donations of product should be handled in accordance with our policy *Donations of Pharmaceutical Products* (CPP-PA003).

If you have questions, contact the Employee Communications and Community Relations Department.

Community Service

We often engage in community service and a variety of charitable activities. However, each of us must be sure that all outside activities, even charitable or [pro bono activities](#), do not constitute a [conflict of interest](#).

Outside Directorships

Before accepting a directorship for another organization that may require commitments that could conflict with your work for King, you must submit a written description of your proposed role and responsibilities as a director, information about the company, and any other relevant information that may be requested, to the executive officer responsible for your functional area and the Executive Vice President, Human Resources. The request will be evaluated based on legal limitations, potential conflicts with the interests of King and any material problems that may restrict you in fulfilling your commitments to King.

standards for interacting with government officials

- We will be truthful and cooperative with all government officials in the fulfillment of their duties.
- We will never intentionally mislead anyone, conceal material facts, or make promises we don't intend to keep.
- We will keep management informed and aware of our significant contacts with government officials.

Political Activities

No Company funds may be provided for political purposes, except as permitted by law and only upon the written approval of the Chairman, President and Chief Executive Officer. You may make personal political contributions as you see fit in accordance with all applicable laws.

We do not solicit political contributions from employees, except as permitted by law and only upon the written approval of the Chairman, President and Chief Executive Officer. King [property](#) may not be used for such purposes, other than in compliance with the law.

Our Relationships with Government Officials

Our business brings us into contact with a wide range of government officials. We will act responsibly in all such contacts.

Making a [false statement](#) to a government official, regardless of whether the [statement](#) actually misleads the official, is likely a criminal act.

Each of us has a responsibility to seek and obtain authority from King management to contact government officials on behalf of the Company. For those of us who have been authorized to contact government officials as part of our jobs, we must keep management informed on a timely basis about any discussions with those government officials. In sensitive situations, we must discuss in advance with supervisors our communications with government officials before we contact them.

Similarly, an appropriate member of King management must review all documents before we submit them to a government official or entity.

None of these requirements is intended to restrict or limit in any way the rights of any employee to report violations of the law to the government.

do you know?

Q: As a sales representative detailing a group of doctors, which of the following could you provide without violating our Code?

- A. A laser pointer
- B. A meal at a steakhouse
- C. Notepads with a product logo

None of the above.

at a glance

To be consistent with the PhRMA Code, giving gifts and promotional items to healthcare professionals is prohibited. Educational items are allowed if they are:

- given out on no more than an occasional basis, *and*
- not of substantial value (\$100 or less), *and*
- of no value to healthcare professionals outside of their professional responsibilities.

Our Relationships with Healthcare Professionals

There are many policies and procedures that govern our relationships with the healthcare industry. Important CPPs are listed in the *Government Healthcare Programs* section of our Code. In addition, there are U.S. laws and the laws of other countries that affect our relationships with healthcare professionals.

Relevant CPPs are issued to those of us who interact with healthcare professionals (as defined in our policies), and these CPPs provide a general overview of healthcare and other laws to help us conduct business legally and ethically. In the U.S. we have also voluntarily embraced industry guidelines regarding our dealings with healthcare professionals in the U.S., including the Pharmaceutical Research and Manufacturers of America Code on Interactions with Healthcare Professionals (PhRMA Code). We must also be familiar with and follow industry standards that apply to interactions with healthcare professionals in other countries where we promote human pharmaceuticals.

Our Company policy adopting the PhRMA Code is *Interactions with Healthcare Professionals* (CPP-CO003). Generally:

- Employees may occasionally give items for the education of patients or healthcare professionals that have been supplied by the Company and are not of substantial value.
- Employees may not provide non-educational promotional items, even practice-related items of minimal value such as pens, mugs, pads, etc.
- Field sales representatives may provide only occasional, modest meals as part of an educational/scientific presentation about our products in the healthcare professional's office or in hospital settings.
- No employee may provide entertainment or recreational items or opportunities to any healthcare professional, regardless of value, under any circumstance.

Certain gifts and other payments to healthcare professionals can violate Anti-Kickback Statutes. Seek advance guidance from the Corporate Compliance Office if you have any doubts about what items may be appropriate to provide to healthcare professionals. We also follow the OIG Compliance Program Guidance for Pharmaceutical Manufacturers in our relationships with healthcare professionals. See our policy *The OIG's Compliance Program Guidance for Pharmaceutical Manufacturers* (CPP-CO004).

do you know?

Q: As a product manager, I have worked with an ad agency to develop some marketing materials. My manager asked me to send the materials to the sales force immediately. Am I acting appropriately if I do so?

A: Not without obtaining the required approvals first. All promotional materials must be reviewed and approved for release by the Copy Clearance Committee before distribution.

at a glance

It would be inappropriate to select a clinical trial investigator just because she's a high prescriber, and we should never suggest that prescription volume is an appropriate criterion for selection. When selecting researchers, we must make sure they are credentialed, not debarred by the government, and provide all required financial disclosures.

Promotional and Educational Materials and Detailing

Our responsibilities to the market include promoting, marketing, selling and development of safe products for our customers. We promote approved products for approved indications, and employees must not engage in off-label promotion.

Employees involved in sales and marketing activities must:

- Use only promotional or educational materials that have been approved by the Company as directed by the Company.
- Never create “homemade” promotional materials or alter approved materials.
- Promote King products only for their approved indications.
- Never discuss information about unapproved new products or off-label information.
- Follow Company policies on responding to unsolicited questions from healthcare professionals about unapproved products or off-label use of approved products.

See *Use of Approved Company Materials by Sales Representatives* (CPP-RG001) and *Review and Approval of Promotional, Educational and Training Materials* (CPP-MK002) for further guidance.

Our Relationships with Researchers – Scientific Integrity

We must maintain the highest standards of [integrity](#) in our relationships with medical professionals, hospitals, universities and contract research organizations as we conduct clinical safety trials, field safety trials and other research. Our interactions with researchers must be focused on eliciting sound medical judgments.

All information from clinical research that is published must be complete, accurate, and fairly represented in accordance with applicable company policies.

When we receive patient data and protected health information, we will treat it confidentially and safeguard it according to applicable privacy and data protection laws.

All research involving animals must be carefully considered and justified, applying principles of conservation.

The integrity of our scientific investigations and their results are critical to our business. We must at all times maintain proper clinical and laboratory practices in accordance with FDA regulations ([cGCP](#) and [cGLP](#)) and other applicable standards, including those of other countries where we do business. We must never allow time or other pressures or business concerns to compromise our investigations or the safety of our products.

RESULTS

At King, we strive for the highest standards of excellence.

At the end of the day, we are measured by the results we achieve, both individually and as a Company.

Likewise, the Company's shareholders are rewarded based on our results.

Ask yourself:

- Do I uphold the Code?
- Do I exercise good judgment in my daily activities?
- Can my coworkers count on me to deliver results?
- Do I follow through on my tasks and take initiative to contribute wherever I can?
- Do I approach work determined to achieve outstanding results?
- Do I establish clear objectives and work toward them daily?

Our Relationships with Suppliers and Service Providers

We must be committed to making purchases in the best interests of the Company without favoring any supplier. We negotiate fairly and competitively on the prices we pay for materials, supplies and services, while seeking to obtain the maximum value for each expenditure. It is imperative that relationships with suppliers be conducted with integrity and with the confidence that each party will fulfill its commitments.

We must never make any purchase in which we or any family member has a material financial or other interest. In addition, we must disclose any such potential [conflict of interest](#) as soon as it is identified. For more information, refer to the section in our Code titled *Conflicts of Interest*.

Vendors and suppliers with whom we do business should be made aware of and encouraged to abide by the standards set forth in the Code. The Code is available on the Company's Web site, kingpharm.com.



Our Responsibilities to the Investment Community

Principles we must follow.

at a glance

- Never create false or misleading records.
- Never alter or destroy any Company records or omit records requested for inspections, audits or investigations.
- Become familiar with and follow our Records Management Program. See *Records Management Policy (CPP-CO006)*.

We are committed to acting with uncompromising integrity in our relationships with the investment community. One of our obligations to our investors includes protecting and preserving Company information and assets. In addition, the interests of current and potential shareholders demand that the information we communicate about the Company be accurate and reliable. Furthermore, we must be honest in all our business dealings.

Company Accounting Records

All of King's books, accounts and other records must reflect Company business fairly, accurately and in reasonable detail. We must not intentionally make or maintain records that conceal or disguise any aspect of any Company transaction. For example:

- Do not establish unrecorded, undisclosed, or "off book" funds or assets for any purpose.
- Do not create or pay false or fictitious invoices.
- Do not create false entries or misleading reports.
- Do assess and state the financial condition and results of operations of the Company in accordance with King's standard practices and generally accepted accounting principles.
- Do maintain records according to law and Company policy.
- Do report violations immediately to the Corporate Compliance Officer.

do you know?

Q: In trying to meet our financial goals, we plan to ship (and invoice) product to a wholesaler just before year-end, knowing that it will be returned at the first of the year. Is this acceptable?

A: No. This violates King's policies and generally accepted accounting principles. Sales cannot be booked until ownership passes to the customer. Knowing the product will be returned means we did not intend to transfer ownership.

Any concerns regarding a potential violation of our obligation to maintain accurate books and records, including issues involving accounting practices, internal controls and auditing matters, should immediately be reported to our Corporate Compliance Officer.

Integrity of Accounting and Financial Reporting

We must provide periodic, timely and reliable financial information to shareholders, creditors, government agencies, and the investment community. Communications with the public must be complete, fair, accurate and timely.

We must maintain our accounting and financial records on the basis of valid, accurate and complete data, with adequate supporting information to substantiate all entries to the books of account. Each of us involved in collecting, analyzing or reporting financial information is responsible for the [integrity](#) of such information.

We must maintain books and accounting records in compliance with [generally accepted accounting principles \(GAAP\)](#) and other appropriate accounting methods and principles, including U.S. Securities and Exchange Commission (SEC) regulations and properly established controls. We must never withhold any requested information from management or from the Company's independent auditors or internal auditors.

We simply do not tolerate dishonest reporting. Anyone responsible for financial or accounting matters is also required to ensure the full, fair, accurate, timely and understandable disclosure in all reports containing financial information required to be filed by the Company with the SEC, and also in other public communications by the Company.

Our Chairman, President and Chief Executive Officer and our Chief Financial Officer could be personally liable if the annual and quarterly reports they certify contain any untrue [statement](#) of a material fact or omit a material fact necessary to make the statements not misleading.

King strives to comply with all of the financial reporting and other requirements of the Sarbanes-Oxley Act of 2002.

do you know?

Q: An employee e-mails a colleague in Finance, “What are our earnings looking like this quarter?” The reply is, “Oh better than expected – we’ve had a great quarter.” The employee tells a friend, and they both buy King stock based on this information. Is this a problem?

A: Yes. The reply contains sensitive, material financial information about the Company’s performance not known by the general public. The employee who disclosed the information and who traded on this information has violated U.S. securities laws, and our policy *Securities Trades by King Pharmaceuticals, Inc. Personnel* (CPP-LE018). His friend has also violated securities laws. Even if only the friend bought King stock, the employee could still be liable.

Insider Trading

In the course of our work, we sometimes gain information – about King, our subsidiaries, or other companies we deal with – that has not yet been communicated to the general public and would be important to making a reasoned investment decision.

Such information may relate to, among other things: plans; new products, formulas or processes; [intellectual property](#); proposed mergers, acquisitions or dispositions of businesses or securities; problems facing King or our business partners; financial performance; information/negotiations relating to significant contracts or business relationships; or significant litigation or financial information. It’s known commonly as “inside information”; if used to make an investment decision, such action may constitute [insider trading](#).

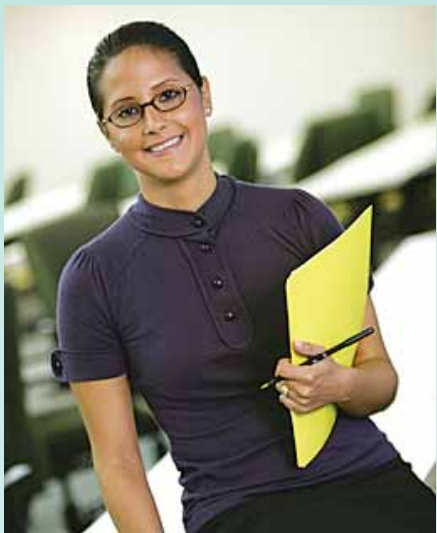
We do not provide inside information to others. We do not buy or sell King securities, or the securities of other companies related to the information, until the information becomes public or immaterial. These rules apply regardless of where you or the receiver of the inside information lives. If we engage in trading on inside information or disclose [material, non-public information](#) to others, we are subject to severe criminal and civil penalties.

In addition, the Company will report insider trading by any King employee to the appropriate authorities, and we will cooperate fully in any resulting investigation.

Consult *Securities Trades by King Pharmaceuticals, Inc. Personnel* (CPP-LE018), the *Employee Handbook* or the Legal Department for more information.

Records Retention

Company records must be maintained and retained according to statutory, regulatory, judicial and contractual requirements. If you have questions regarding records retention, you should contact the Corporate Compliance Office or the Legal Department.



Our Responsibilities in the Workplace

The rules we follow when we're working together.

TEAM

It takes teamwork to ensure that our products are developed, manufactured, and marketed in compliance with all relevant laws, government regulations, and industry standards.

Ask yourself:

- Am I an honest and dependable coworker who acts according to the standards set by King?
- Do I understand that a coworker who violates our rules is not a trusted team player and may bring harm to himself, another employee, users of our products, or to the Company?
- Do I speak up in support of our Code and practice its principles because it's the right example to set for my fellow teammates?

at a glance

If you drive a Company car and ignore the regularly scheduled service, you are failing to maintain and protect King property.

We strive to produce exceptional results for our Company and our shareholders. We do this by functioning as a great team in the workplace. Some of our workplace responsibilities include safeguarding Company property, communicating appropriately with the public, and conducting ourselves professionally on the job. In addition, we each must comply with the employment laws of the country in which we are located.

Physical Property

Any incidents of theft, loss, misuse, improper disposal, damage to, destruction of, or waste of Company [physical property](#), or situations that could lead to such losses, must be reported immediately to your supervisor.

Intellectual Property

Protecting our [intellectual property](#) – including [patents](#), [copyrights](#), [trademarks](#), scientific and technical knowledge, know-how and the experience developed in the course of the Company's activities – is essential to maintaining our competitive advantage. Protecting property also means that the Company will apply for intellectual property protection whenever appropriate.

Carefully review the relevant portions of the *Employee Handbook* to understand employee obligations with regard to Company [proprietary information](#) developed by employees.

Using Software

We do not illegally duplicate software. King licenses the use of computer software from a variety of outside companies. We do not own the software, or its related documentation. We do not duplicate any software without the authorization of the software manufacturer because it is illegal in the U.S. and certain other countries and can result in civil damages and criminal penalties, including fines and imprisonment. In addition, the unauthorized duplication of copyrighted computer software is a violation of international copyright laws.

inappropriate use of e-mail

- Soliciting for non-job-related causes.
- Sending confidential or proprietary information without prior authorization.
- Sending, receiving, viewing or creating any offensive messages or information that:
 - Contain sexual implications, racial slurs or gender-specific comments.
 - Address citizenship status, national origin, ancestry, age, religion, gender, sexual preference, physical or mental disability, veteran status, or any matter prohibited by law.

do you know?

Which of the following could you do without violating our Code?

- A. Use your cell phone to take occasional personal calls.
- B. Use your office computer to check the weather.
- C. Use your office laptop for a second job.

A and B are acceptable limited personal uses of Company property. C is not. King property should not be used for another job.

Computer, Internet, E-mail and Voicemail Use

It's important to remember that Company-provided computers, cell phones, and other communication devices, and any communications we produce using them, are neither private nor confidential, and may be viewed or monitored at any time without your consent.

King equipment must be used primarily for Company business. We permit incidental and occasional personal use, but we require that all Company [property](#) be used appropriately at all times.

Sending offensive materials electronically may be considered by certain recipients to be a type of harassment that violates Company policy and can result in Company liability.

For more information, see *Use and Management of E-mail* (CPP-CO007).

These standards apply unless they are prohibited by or differ from local law. If these standards are more restrictive than local laws, we will comply with them. If these standards violate local law, we must follow the local requirements.

Managing Our Information

We must be extremely sensitive about our handling of Company information. We deal with business-related information about our performance, our plans, our proprietary technologies, our products and a host of other matters, which we must control carefully to maintain our competitiveness, reach our performance goals, and comply with various laws and regulations.

We also generate or receive and store personal information about our employees and non-employees that must not be disclosed, both for legal reasons and because we are committed to maintaining individuals' privacy.

We must comply with applicable privacy laws, rules and regulations wherever we do business. These rules are complex and differ from country to country. Consult the Legal Department with questions or concerns.

confidential information includes:

- Non-public information that might be of use to our competitors.
- Non-public information that would be harmful to King or any of its officers, directors, employees, business partners, or customers if disclosed.
- Non-public and material inside information that someone could use to make profits or avoid losses on King stock.

at a glance

- At all times, store and review confidential information where unauthorized personnel can't see it.
- Don't discuss confidential information in public, and be aware of your surroundings when using your cell phone to discuss business.
- Transmit confidential information via fax through secured lines and to secured destinations.

Confidential Information

We must prevent disclosure of the Company's [confidential information](#) to unauthorized persons. Inappropriate disclosure of material non-public information is a violation of U.S. securities laws and is a criminal offense. The obligation not to disclose confidential information applies even after we leave the Company.

We may encounter confidential information that belongs to or is to be provided to third parties, such as former employers, our suppliers and customers, and other business partners. We may not use or disclose such information without the consent of the third party or without taking appropriate precautions. Furthermore, third-party patient information — for example, information obtained from adverse event reports or other materials — should remain strictly confidential. The disclosure of confidential medical information is strictly prohibited by law in most countries.

If we discover that confidential information has been [publicly disclosed](#), we should immediately contact the Legal Department.

We should not reveal confidential information obtained in the course of our prior employment, and we will not be assigned by King to work in a job that would require the use of a prior employer's confidential information. If you feel you have been placed in such a situation, contact the Human Resources Department immediately.

Violations of our obligations regarding confidentiality of King information or a prior employers' information may expose both the individual and King to civil and criminal liability.

Employee Information

Personal information about employees may be accessed only by those who need to know it to perform their jobs. It is inappropriate and prohibited to disclose employee information either inside or outside of the Company, unless there is a legitimate business or legally required need to do so. We must comply with all laws relating to accessing and disseminating employee information. Contact the Human Resources Department with questions.

do you know?

Q: A prospective consultant was given background information to help develop a clinical trial protocol without a confidentiality agreement or other agreement to do work for King being in place. Is this a problem?

A: Yes. Until a confidentiality agreement is signed, the consultant must not have access to proprietary or confidential King information, and should not be working for King until a contract is signed.

Public Release of Corporate Information

King stock trades on the New York Stock Exchange, which means the public is entitled to periodic communication about certain aspects of the Company's finances and operations.

The credibility of these communications must be maintained. Accordingly, we may not disclose [material information](#) concerning the Company or its products unless we are authorized to do so, as detailed in the *Employee Handbook*.

Contractual Commitments

All leases, contracts and agreements must be in writing and approved in accordance with our *Contracts Policy* (CPP-LE011) or other process approved by the Legal Department.

Legal Proceedings

Directors, officers and employees are required to notify, in writing, the Company's Chief Legal Officer or Corporate Compliance Officer if we are:

- Named in a lawsuit as a defendant, plaintiff or third-party related to Company business,
- Arrested, indicted or convicted of any crime or disorderly offense, excluding traffic violations,
- Subpoenaed to testify or produce evidence in any matter related to Company business,
- Identified as the subject of an investigation or questioned by any law enforcement or regulatory agency related to Company business,
- Named in a complaint filed by any regulatory agency,
- Involved in a lawsuit that may reasonably result in the Company becoming involved in such lawsuit.

do you know?

Q: Some of our employees attended a charitable event that King helped sponsor. Several reporters were present at the event and one wanted to talk with some of our employees about a new King product. Can employees answer the reporter's questions?

A: No. Questions from reporters should be handled by the Corporate Affairs Department. One problem with unauthorized discussion of information is that employees may not have all the facts available to respond to questions. In addition, uncoordinated disclosure could pose problems under securities laws if what was released was material inside information. Even disclosures that seem harmless can create problems.

Public Communication

Our communications with the public must be complete, fair, accurate and timely. Only selected members of senior management may conduct interviews or discussions with securities analysts and other interested parties.

The Corporate Affairs Department must approve interviews and discussions with the media or other outside parties for those of us who have not been authorized to speak on behalf of the Company.

Only the Corporate Affairs Department may distribute financial press releases, booklets, brochures and publications to shareholders or in general public mailings. All inquiries from non-employees about King or its business, pending legal matters or other sensitive issues must be referred to the Corporate Affairs Department.

Internal communications may not be forwarded to anyone outside the Company, except to authorized King agents needing such information to represent the Company. Communications include e-mail, written memoranda, and executive speeches and presentations (unless delivered in a public forum or otherwise available through our Web site or U.S. SEC filings). We must never disclose material, non-public Company information to outsiders, including friends and family, or to any employee whose job responsibilities do not require it.

Employment Contracts

No employee has the authority to enter into any employment contract on behalf of King without the approval of the Chairman, President and Chief Executive Officer.

do you know?

Q: I've been asked by a seminar organizer to be a presenter at an upcoming industry conference. May I make a presentation at the conference on behalf of King?

A: You must get written permission from your immediate supervisor and the Corporate Affairs Department before making a public presentation that relates to your work at King. The content of your presentation must also be approved in advance.

Publications and Speaking Engagements

Employees, or non-employees at the request of King employees, should not author or coauthor articles, books, newsletters or other publications or make public presentations (for example at continuing education seminars or at trade or professional [symposia](#)) which in any manner relate to King, your work at King, or any King product without having first obtained permission from the Corporate Affairs Department. In addition, the content of the communication must be reviewed by Corporate Affairs.

If an employee wants a non-employee to make a public presentation relating to King or any of its products, the employee must first consult with the Legal Department to put an appropriate contract in place.

The engagement of promotional speakers or consultants that are healthcare professionals is governed by *Consultant and Speaker Arrangements with Healthcare Providers and Other Customers* (CPP-LE004). Publications that are part of the Medical Affairs Department's publication plan must comply with policies and procedures developed by the Medical Affairs Department.

Outside Employment

If any King employee takes on outside employment (including self-employment and outside directorships), it is important to carefully evaluate outside activities to avoid any [conflict of interest](#).

Outside employment must:

- Be approved in writing in advance by your appropriate executive officer, and you must disclose the nature of the work, time commitment and any other relevant information.
- Never require use of King's [property](#), facilities, resources or staff.
- Not be done during regular work hours, even for telephone conversations related to your other job.
- Pose no conflict with or adversely affect your responsibilities to King.

do you know?

Q: My co-worker told me her supervisor keeps commenting on how attractive she is and how much he'd like to see her outside of work. She's told me such comments make her feel very uncomfortable, but she is afraid to say anything because her job might be at risk if she asks him to stop. What should she do?

A: Suggest that your colleague contact a member of management or Human Resources, or you could raise the issue with your own manager (as long as your manager is not her supervisor). We all need to stand behind King's commitment to equal treatment and a harassment-free workplace.

Equal Treatment

At King, we treat everyone fairly without regard to race; religion; color; sex; sexual preference; national or ethnic origin; weight; height; age; physical or mental disability; citizenship status; marital status; past, present or future military service; or any other factor protected by law.

This pertains to applicants and employees in all phases of employment, including recruiting, hiring, placement, training and development, transfer, promotion, demotion, performance reviews, compensation and benefits, and separation from employment.

We are committed to providing a work environment based on mutual respect and trust, and where everyone is free of harassment, unlawful discrimination or retaliation. Violations of this policy will not be tolerated.

We each have a responsibility to understand and follow the equal employment, non-discrimination and non-harassment policies described more fully in the *Employee Handbook*. Immediate supervisors, other members of management, or the Human Resources Department are available to discuss questions, concerns, problems or complaints involving discrimination or harassment.

If you report concerns, your identity will be kept confidential to the extent legally permissible, and appropriate steps will be taken to prevent retaliation against you. King does not tolerate retaliation.

For more information, see *Non-Retaliation Policy* (CPP-HR004).

at a glance

Our policy *Environmental, Health and Safety* (CPP-EHS001) addresses environmental, health and safety issues as well as the responsibilities of the Environmental Health and Safety Program.

at a glance

You must report any threats of violence or harm immediately to your supervisor or the Human Resources Department.

Work Environment

Our work environment should be clean, healthy and safe. We all are responsible for ensuring that our operations meet applicable government and Company standards.

We must all be aware of environmental laws, health and safety issues, and Company policies related to our business. Applicable health and safety laws are posted in relevant work areas or are otherwise available through the Legal Department or the Human Resources Department.

We must practice safety in our workplace. Report any injury, accident or unsafe situation immediately to management.

Threatening Conditions

King will not tolerate violence, threats of violence, physical intimidation or other conduct that may compromise workplace or individual safety. If you believe that the words or conduct of another individual threaten violence or suggest harm to others, immediately report it to your supervisor or the Human Resources Department. For more information, refer to our policy *Workplace Violence* (CPP-HR007), and the *Employee Handbook*.

Weapons, Drugs and Alcohol

The illegal possession, use, purchase, transfer or sale of weapons, narcotics, alcohol, or other controlled substances, or any attempt to carry out such activities, is strictly prohibited:

- on Company-owned or controlled [property](#),
- in Company-owned or Company-leased vehicles,
- during Company business,
- at Company-sponsored events.

ethics and compliance helpline

1-800-589-3412

- Confidential
- Toll free
- Can be anonymous
- 24 hours/7 days a week
- Administered by an independent third-party

Calls to the Helpline may be made anonymously, or you may identify yourself. Your report will be evaluated and the appropriate action will be taken.

Use the Helpline to report criminal activity, falsification of records including financial records, retaliatory conduct, or other violations of the law, our Code, the *Employee Handbook*, Company policy or other Company standards.

Outside the U.S. and Canada, dial the Access Number for your country (see the list on the following page); wait for the voice prompt, then dial 1-800-589-3412.

We work hard to foster an environment of open, honest communication.

Our Duty to Speak Up

If we become aware of any potential violation of our Code, we have an immediate obligation to come forward. Generally, you should contact your supervisor, the Human Resources Department, the Corporate Compliance Office, the Legal Department or the appropriate office identified in the Code and the *Employee Handbook*.

Any concerns regarding a potential violation of our obligation to keep accurate books and records, including accounting issues, internal controls and auditing matters, should immediately be reported directly to our Corporate Compliance Officer or the Legal Department. For additional guidance about reporting violations, see *Reporting of Alleged Misconduct (CPP-CO001)*.

Code violations may be reported directly to the Corporate Compliance Officer or by contacting the Ethics and Compliance Helpline by telephone at 1-800-589-3412, or by internet at www.kinghelpline.ethicspoint.com. For more information see our policy, *Ethics and Compliance Helpline Reporting (CPP-CO002)*. We should encourage vendors and other suppliers who become aware of violations of the Code to use the Helpline to report their concerns.

If you report a violation of our Code, your identity will be kept confidential to the extent legally permissible. Though you may choose to remain anonymous, you are encouraged to identify yourself since cooperation, assistance and information aid in investigations. The Company will take all possible steps to protect you against retaliation. Retaliatory actions against [whistle blowers](#) violate U.S. securities laws and other federal laws and statutes, are contrary to King values, and could subject King to civil and criminal liability. See *Non-Retaliation (CPP-HR004)*. Any employee engaging in retaliation will face serious corrective action, up to and including termination of employment.

If you do not believe that a reported violation is being satisfactorily addressed, contact the Corporate Compliance Office. We are expected to cooperate in investigations of misconduct, whether conducted internally or by outside officials. The laws of certain countries in which we do business may impose obligations or standards that differ from those set forth here. If there is a conflict with these standards in your country, then you must follow local law.

reporting using the internet

You may report violations using the Internet.

To report online, go to www.kinghelpline.ethicspoint.com and follow the instructions found there.

for updated access codes

The International Access Codes listed to the right are subject to change. Visit www.kinghelpline.ethicspoint.com to check for the most current access codes.

International Access Codes

Employees who work outside the U.S. and Canada should follow these dialing instructions when reporting violations to the Helpline:

1. From the list below, find the name of the country you are calling from. Dial the Access Number as shown.
2. A voice prompt will ask you for the telephone number you are calling.
3. At the prompt, dial the Compliance and Ethics Helpline number (1-800-589-3412).

Remember to dial the full Helpline number, including the access number followed by the Helpline number including “1”. For example, to place a Helpline call from Northern China, you would dial: 108-888-1-800-589-3412.

Argentina

0-800-555-4288 or
0800-288-5288

Belgium

0-800-100-10

Brazil

0-800-890-0288 or
0-800-888-8288

Chile

800-225-288 or
800-360-311

China (Northern)

108-888

China (Southern)

108-11

France

0-800-99-0011

Germany

0-800-225-5288

Italy

800-172-444

Malaysia

1-800-80-0011

Mexico

01-800-288-2872 or
001-800-462-4240

Singapore

800-011-1111 or
800-001-0001

Spain

900-99-0011

Taiwan

00-801-102-880

Thailand

1-800-0001-33 or
001-999-111-11

United Kingdom

0-800-89-0011 or
0-500-89-0011

who to contact

Corporate Compliance
Office
423-989-7094

Jim Elrod,
Chief Legal Officer
908-429-6000 ext. 58044

Rick Brouillette, Corporate
Compliance Officer
423-989-8751

Greg King, Senior Director
Human Resources
Department
423-274-8639

Ethics and Compliance
Helpline
1-800-589-3412

Contact Information for Questions

If you have a question about anything discussed in the Code, you have options. The most important thing is that you ask the question.

Your supervisor is usually a good place to start with a compliance or [integrity](#) question or concern.

You may also contact:

- Your supervisor's supervisor
- The head of your department
- Corporate Compliance Officer
- Corporate Compliance Office
- Human Resources Department
- Legal Department
- Ethics and Compliance Helpline

additional resources

- *Employee Handbook*

See Axentis for a complete listing of all Company CPPs.

CPPs Referenced in our Code

Code of Conduct for Medical Science Liaisons
(CPP-MA001)

Company Philanthropic Activity (CPP-PA002)

Compliance with Federal Health Care Program Requirements (CPP-LE014)

Consultant and Speaker Arrangements with Healthcare Professionals and Other Customers
(CPP-LE004)

Contracts Policy (CPP-LE011)

Corrective Action Process (CPP-HR003)

Donations of Pharmaceutical Products (CPP-PA003)

Educational Grants (CPP-LE001)

Environmental, Health and Safety (CPP-EHS001)

Ethical Business Practices and Compliance with Anti-Bribery Laws (CPP-CO008)

Ethics and Compliance Helpline Reporting
(CPP-CO002)

Government Pricing Compliance (CPP-GC100)

Interactions with Healthcare Professionals
(CPP-CO003)

King Pharmaceuticals, Inc. Drug Sampling Program
(CPP-SM001)

Non-Retaliation Policy (CPP-HR004)

The OIG's Compliance Program Guidance for Pharmaceutical Manufacturers (CPP-CO004)

Pricing Committee (CPP-MK001)

Records Management Program (CPP-CO006)

Reporting of Alleged Misconduct (CPP-CO001)

Research Grants for Investigator-Initiated Clinical Research (CPP-LE013)

Review and Approval of Promotional, Educational, and Training Materials (CPP-MK002)

Securities Trades by King Pharmaceuticals, Inc. Personnel (CPP-LE018)

Travel and Entertainment Expense Reimbursement
(CPP-AP602)

Use of Approved Company Materials by Sales Representatives (CPP-RG001)

Use and Management of E-mail (CPP-CO007)

Workplace Violence (CPP-HR007)

[340B Program](#) — part of the Veterans Health Care Act of 1992; it limits the cost of covered outpatient drugs to certain federal grantees, allowing significant savings on pharmaceuticals by those participating entities.

[Bribe](#) — anything given or promised that serves to persuade or induce.

A [boycott](#) — the refusal to buy or use, e.g., boycotting foreign products.

[Competitors](#) — other companies vying for similar business in the marketplace.

[Confidential information](#) — all non-public information that might be of use to our competitors or harmful to King or any of its officers, directors, employees or customers if disclosed, and non-public information that someone could use to make profits or avoid losses on King stock.

[Conflict of interest](#) — exists when an employee's personal interests interfere in any way with the interests of the Company.

[Copyright](#) — gives the creator of an original work exclusive rights to control its distribution for a certain time period, after which the work enters the public domain.

[Economic sanctions](#) — government-induced withdrawals of trade through methods such as boycotts and embargoes.

[Embargo](#) — the restriction of commerce by authoritative decree.

[Ethics](#) — rules of conduct recognized by a particular group or culture; moral principles.

[Fair dealing](#) — treating everyone equally and impartially. This includes our customers, service providers, suppliers, competitors and other King team members. It also means that King will not seek competitive advantage through illegal or unethical practices.

A [false or fraudulent statement](#) goes well beyond simply making an incorrect, misleading or inaccurate representation to an official. It also may include the concealment of a material fact or a promise to do something in the future without any present intention to perform. Knowingly making a false statement may include not just a willful intent to defraud, but also having a reckless disregard for whether a statement is true, or making a conscious effort to avoid learning the truth. A false statement does not actually have to mislead the government to violate the law.

[Generally Accepted Accounting Principles \(GAAP\)](#) is the common set of accounting principles, standards and procedures that U.S. companies use to prepare their financial statements and related disclosures. GAAP is a combination of authoritative standards (set by policy boards) and the commonly accepted ways of recording and reporting accounting information.

[Good Clinical Practices \(cGCPs\)](#) — the set of best practices for hospitals and clinicians conducting clinical studies on new drugs in humans.

[Good Laboratory Practices \(cGLPs\)](#) — the set of best practices for laboratories conducting non-clinical studies (toxicology and pharmacology studies in animals).

[Good Manufacturing Practices \(cGMPs\)](#) — the set of best practices for the control and management of manufacturing and quality control testing of foods, pharmaceutical products, and medical devices.

[Inducements](#) — promises or items that serve as an incentive to bring about an action or a desired result.

[Industrial espionage](#) — spying conducted for commercial reasons rather than national security. Examples include theft of trade secrets, bribery, blackmail, and technological surveillance.

[Insider trading](#) — the use of information not available to the investing public to make decisions regarding the purchase or sale of stocks or securities.

[Integrity](#), as it relates to people, is the steadfast adherence to a strict moral or ethical code. Integrity, as it relates to our products, means being in an unimpaired, perfect or whole condition.

[Intellectual property](#) includes intangible assets, such as trademarks, patents (issued or pending), copyrights, technologies, trade secrets, know-how, customer lists, sales strategies, compensation, business concepts and acquisition or product plans, as well as other confidential or proprietary information. This material may or may not be in physical form.

A [kickback](#) is money, usually a percentage of income, given to a person in a position of power or influence as payment for having made the income possible.

[Knowingly and willfully](#) means taking an action intentionally and with thought, rather than by accident or without due reflection and consideration.

[Material information](#) — that which is crucial, of substantial import or of much consequence to the Company and/or others.

[Material, non-public information](#) — any information that would influence an investor's decision to buy or sell securities.

[Medicare](#) — an insurance program administered by the U.S. government that provides health insurance coverage to people aged 65 and over or who meet other special criteria.

[Medicaid](#) — a joint federal and state program that helps with medical costs for some people with low incomes and limited resources.

[Misbranding](#) — occurs when a product is promoted or marketed in a misleading or fraudulent way.

[Nominal value](#) — refers to items that are generally tangible and of an insignificant or small amount.

[Off-label promotion](#) — occurs when a drug is marketed for a use that has not been approved by the FDA.

[Patent](#) — a set of exclusive rights granted by a state to an inventor or his assignee for a fixed period of time in exchange for a disclosure of an invention.

[Payoff](#) — a bribe.

[Philanthropic efforts](#) — benevolent, charitable and/or humanitarian assistance.

[Physical property](#) — includes all tangible assets such as money, plant and equipment (new or used), and inventory.

[Price fixing](#) — an agreement between business competitors to sell the same product or service at the same price.

[Pro bono activities](#) — those that are donated or performed without charge.

[Property](#) — all physical and intellectual property, as well as proprietary information, of the Company.

[Proprietary information](#) — materials and information relating to the Company's products, business, or activities, for example: financial information; data or statements; trade secrets; product research and development; existing and future product designs and performance specifications; marketing plans or techniques; schematics; client lists; computer programs; and processes.

Information is [publicly disclosed](#) when it is intentionally or unintentionally provided to a person who has no need to know it, or when it is required for the benefit of our shareholders, for example in the case of SEC filings.

[Quality](#) — the character with respect to fineness, or grade of excellence as it relates to our products.

[Rebate](#) — the return of a portion of the purchase price for products or services.

[Recall](#) — a request to return to the maker a batch

or an entire production run of a product. Reasons may include failing stability data, discovery of labeling errors, or discovery of quality defects that may affect product safety.

[Symposium](#) (*Symposia, plural*) — a formal meeting where several specialists deliver short addresses on a topic or related topics.

A [statement](#) includes any direct or indirect statement made orally or in writing, informally or under oath, voluntarily or as a result of a legal requirement.

[Trademark](#) — a type of intellectual property — such as a name, word, phrase, logo, symbol, design or image — that is distinctive to an individual or business and indicated as being so by the symbols TM and [®].

[TRICARE](#) — a health care program for active duty and retired uniformed services members and their families.

[Veterans Administration Pricing Programs](#) — enable federal agencies to buy covered drugs from a manufacturer at a discount through a Federal Supply Schedule (FSS) contract. A manufacturer must enter into an FSS contract with the VA in order to participate in the program. In addition, the manufacturer must include every covered drug on the FSS contract.

[Warranties and guarantees](#) — an obligation that a service or product sold is as factually stated or legally implied by the seller.

[Whistle blower](#) — a person who informs on another or makes public disclosure of corruption or wrongdoing.

King Pharmaceuticals Corporate Code of Conduct and Ethics Certification

As applicable to my work responsibilities —

- I will deal honestly and ethically with King and on King's behalf in all matters.
- I will comply with all laws, rules and regulations applicable to my work responsibilities in every country in which King does business.
- I will comply with all King standards, policies and procedures.
- I will avoid actual or apparent conflicts with King's interests.
- I will advance King's business interests when the opportunity to do so arises.
- I will comply with King's standards, policies and procedures regarding gifts and in my interactions with government employees and officials, healthcare professionals, and other customers.
- I will protect King's confidential information and the confidential information of customers and others that I receive in the course of conducting King's business.
- I will ensure the accuracy and integrity of King's books, records and accounts.
- I will ensure that, in all reports and documents filed with or submitted to the U.S. Securities and Exchange Commission by King and in other public communications made by King, King's disclosures are full, fair, accurate, timely and understandable.
- I will protect King's assets, and promote their efficient and legitimate business use.
- I will protect the health and safety of King employees.

I will report violations of laws, rules, regulations, the Code, and other Company policies in accordance with local law.

My attestation in King's online Corporate Compliance system (Axentis) means that I have received, read, understood and will abide by the Code and that I will promote compliance with the Code by my fellow employees.