



Standards of Business Conduct and Ethics

Introduction

Cumberland Pharmaceuticals' Standards of Business Conduct and Ethics is a fundamental expression of the organization's commitment to a culture of integrity, ethics and compliance with the law. The Company values its reputation for integrity and, accordingly, all aspects of its business activity shall be conducted honestly and ethically. Cumberland intends that its business practices are compatible with the highest legal, economic and social priorities of the United States as well as any other country where Cumberland Pharmaceuticals does business. Associates (which include Board members and employees) will not be permitted to achieve results at the cost of violation of laws or regulations or through unscrupulous or unethical business dealings. This culture of compliance is evident from the commitments of its President and CEO, Board of Directors, executive management group, Compliance Officer, and each Cumberland Pharmaceuticals Associate.

Cumberland Pharmaceuticals requires that its Associates maintain the highest ethical standards while engaging in any business activity inside or outside the Company that might affect its reputation, legal or financial status. It is essential, therefore, that all covered Associates understand and faithfully adhere to the Standards of Business Conduct and Ethics. Additionally, key advisors, consultants and contract organizations will receive copies of the Standards and their cooperation with guidelines will be requested.

The Standards of Business Conduct and Ethics Includes:

1. Compliance with Laws and Regulations
2. Business Practices
3. Conflicts of Interest
4. Employment Policies
5. Reporting Procedures

Coverage, Process, Training and Accountability:

Cumberland Pharmaceuticals intends to provide regular and effective compliance education and training for all Associates. To assure that all Associates have access to and are informed of the Standards of Business Conduct and Ethics, Human Resources (HR) will maintain these documents for distribution. Individuals who are receiving the document for the first time will have an opportunity to read and then discuss with the appropriate HR representative. Individuals receiving the document will be asked to sign a Letter of Agreement that, as one of the conditions of employment, they will comply with the standards outlined. All Letters of Agreement will be retained by Human Resources. Should a violation of the "Standards" occur, appropriate disciplinary action will be taken and, depending on the event, action could range from oral warnings to suspension or termination. Each situation will be evaluated on a case-by-case basis by Human Resources and the appropriate executive manager.

1. Compliance with Laws and Regulations

Laws and Regulations

Cumberland Pharmaceuticals requires compliance with applicable laws and regulations wherever it conducts its business worldwide. The Company's values and compliance objectives are in line with the broad healthcare goals of reducing fraud and abuse in healthcare programs both here and abroad, eliminating the improper influence of financial incentives on medical judgment, reducing the cost of healthcare, and protecting patients and improving the quality of healthcare services. The Company has established a Compliance Program to ensure that requirements continue to be met for the following: Prescription Drug Marketing Act (PDMA), Pharmaceutical Research and Manufacturers of America (PhRMA), Office of Inspector General (OIG), Federal Privacy Laws – Health Insurance Portability and Accountability Act (HIPAA), Medicaid "Best Price" Law, Federal False Claims Act, Federal and State Anti-kickback and Fraud & Abuse laws, individual state laws requiring disclosure of marketing and promotional spending and/or notice of clinical trial sites, requirements of the U.S. Food and Drug Administration

(FDA), Sarbanes-Oxley (SOX), and the Foreign Corrupt Practices Act (FCPA).

Associate Responsibilities

Cumberland Pharmaceuticals' Associates are expected to comply with the Standards of Business Conduct and Ethics -- and to follow the laws and regulations outlined above -- wherever the Company conducts business. It is the responsibility of all Cumberland Pharmaceuticals Associates to promptly report suspected violations of the law to Company management or by using the compliance hot-line (toll-free phone number 1-800-963-5931 or via internet at ethicspoint.com). When using the compliance hot-line, one can choose to remain anonymous. No retaliatory action will be taken against any individual who reports conduct which he or she honestly believes may violate the law. It would never be appropriate, and would be inconsistent with the Standards of Business Conduct and Ethics, to intentionally make a false report. If any Cumberland Pharmaceuticals Associate has any questions regarding compliance with any laws or regulations, it is imperative that he/she consult his/her supervisor, HR Representative or the Company's Compliance Officer.

Agents and Contractors

Cumberland Pharmaceuticals expects its independent dealers, distributors, contractors, and agents to comply with the Standards of Business Conduct and Ethics (the "Standards"). The Cumberland Pharmaceuticals Associate responsible for any such relationship must ensure that the terms of the relationship are set out in a written agreement, provide a copy of this document to the other party, and require compliance in all dealings on behalf of Cumberland. Periodic audits may be necessary to ensure compliance. Violation of the Standards by a dealer, distributor, contractor or agent may result in termination of the relationship.

2. Business Practices

Bribery

Cumberland Pharmaceuticals prohibits bribery in the conduct of its business. Specific laws both in and outside the United States prohibit bribery of any person to influence purchase of health care products or services. Cumberland expects all Associates to be in compliance at all times with guidelines and laws that address this subject such as, but not limited to, the PDMA, PhRMA, OIG and FCPA. The use of Company funds or assets for gifts, gratuities or other favors to customers, employees or government officials is prohibited, except to the extent such gifts are in compliance with applicable guidelines and laws, nominal in value, and not given in consideration or expectation of any action by the recipient. No bribes, kickbacks or payments shall be made to or for the benefit of government employees, customers, physicians/health care providers or other persons in the United States or abroad for the purpose of influencing, obtaining or retaining business. This policy extends not only to direct payment, but also forbids indirect payments made through third parties. If any Cumberland Pharmaceuticals Associate has any questions or confusion regarding compliance with this policy, it is imperative that he/she consult his/her supervisor, HR Representative, or the Company's Compliance Officer. PDMA, PhRMA, OIG and FCPA guidelines and laws are in the employee handbook.

Antitrust, Competition and Pricing

Antitrust and competition laws both inside and outside the United States exist to ensure fairness in business practices. Cumberland's policy is to compete fairly and comply with all such laws designed to regulate aspects of business, including competition and pricing. In order to avoid creating even the appearance of improper agreements, Cumberland Pharmaceuticals prohibits: discussions or other contacts with competitors regarding establishing pricing levels or 'fixing', pricing stabilization, or price discrimination; discussions or other contacts with suppliers and customers that unfairly restrict trade or exclude competitors from the marketplace; agreements with competitors regarding territories or markets in which competitive products are sold, allocating markets or customers; agreements with others to boycott customers or suppliers; and manipulating pricing of the Company's products.

Business Intelligence and Marketing Integrity

Cumberland Pharmaceuticals Associates should never use unethical means such as misrepresentation, deception, spying, or bribery to gather competitive intelligence about competitors. Associates should accept business information about other companies only when it is believed the receipt and use of which are ethical and legal and do not violate any confidentiality obligations. Cumberland Pharmaceuticals also prohibits: false or misleading advertising, or any other form of misrepresentation made in connection with sales; unfair comments about competitors' products; bribery of competitor or customer employees; and the use of lotteries in the sale of products.

Privacy

Cumberland Pharmaceuticals is committed to maintaining confidentiality of all medical information and personal data entrusted to the Company. Associates must comply with HIPAA and carefully guard the confidentiality of all medical information and personal data in Cumberland's possession.

Recordkeeping

Accurate, complete Company records and accounts must be maintained to ensure legal and ethical business practices. Cumberland Pharmaceuticals' books, records and accounts (whether computerized, paper, or other) must fully and accurately reflect the Company's business transactions. These include, but are not limited to, time sheets, vouchers, bills, invoices, expense reports, payroll and benefits records, performance evaluations, and other essential company data. Cumberland has records retention and disposal procedures and all Associates are expected to become familiar with them. If an Associate believes any books or records of the Company may have been falsified, altered, or destroyed (outside the accepted procedures or authorization channels), or that there exist any unrecorded funds or assets, the Associate shall report the matter to Company management directly or through the compliance hot-line.

Proper Accounting

Cumberland Pharmaceuticals Associates must honestly and accurately report all business transactions. All company books, records and accounts shall be maintained in accordance with all applicable regulations and standards and accurately reflect the true nature of the transactions they record. The financial statements of Cumberland shall conform to generally accepted accounting principles and the Company's accounting policies. No undisclosed or unrecorded account or fund shall be established for any purpose. No false or misleading entries shall be made in the Company's books or records for any reason, and no disbursement of corporate funds or other corporate property shall be made without adequate supporting documentation.

Dealings with Independent Auditors

No Cumberland employee, officer, or director shall knowingly, directly or indirectly, make or cause to be made a materially false or misleading statement to an accountant in connection with any audit, review or examination of Cumberland Pharmaceuticals' financial statements or the preparation or filing of any document or report with the Securities and Exchange Commission (SEC). No employee, officer, or director shall knowingly, directly or indirectly, take any action to coerce, manipulate, mislead, or fraudulently influence any independent public or certified public accountant engaged in the performance of an audit or review of the Company's financial statements.

Patents, Trademarks, Logos, Copyrights and Intellectual Property

Protection of Cumberland Pharmaceuticals' intellectual property -- including its patents, trade secrets, copyrights, trademarks, logos, scientific and technical knowledge, know-how, and the experience developed in the course of the Company's activities -- is essential to maintaining a competitive advantage. Cumberland's Associates are expected to protect, maintain, and defend the Company's rights in all commercially significant intellectual property and to use those rights in the correct and responsible manner. In addition, Associates must respect the valid intellectual property rights of others. Unauthorized use of the intellectual property rights of others may expose the Company, and Associate(s) implicated in the violation, to civil lawsuits and damages, and is therefore prohibited.

Environmental Protection

Cumberland Pharmaceuticals is committed to doing business in an environmentally responsible manner. Additionally, the Company is committed to improving its own environmental performance and maintaining a safe work environment. Associates as well as organizations that contract their services to Cumberland are responsible for making sure that business is conducted in compliance with all applicable laws and in a manner that is protective of the environment.

Quality

Cumberland Pharmaceuticals is committed to producing the highest quality pharmaceutical products to meet or exceed the expectations of our customers.

Clinical and Regulatory Affairs

Cumberland Pharmaceuticals and its contracted vendors conduct business in compliance with applicable laws at the federal, state, and local levels, as well as in compliance with policies of the FDA including Good Clinical Practices (GCP), Good Laboratory Practices (GLP), and Good Manufacturing Practices (GMP). The Company informs its customers fully of the potential side effects of its products through availability of package inserts, educational materials, and promotional efforts.

Corporate Political Activity

Cumberland Pharmaceuticals encourages its Associates to participate actively in the political process. However, Associates are prohibited from soliciting contributions for political parties, political committees, or candidates for public office during work hours or on Company property. The Company is prohibited by law from directly or indirectly contributing to any political party, political committee, or candidate for public office.

Government, Analyst and Media Inquiries

Cumberland Pharmaceuticals must be made aware of any inquiries from the government, the financial/analyst community, or the news media so that it can respond in a timely manner. If a representative of a governmental agency seeking an interview or making a request for information contacts an Associate, that individual should immediately contact an executive officer. All inquiries from news media or from the financial community should be referred to the appropriate media or investor relations department or to a designated company spokesperson.

3. Conflicts of Interest

Insider Trading

Associates are prohibited from engaging in securities transactions directly or indirectly involving Cumberland or companies doing business with Cumberland on the basis of information not available to the general public and which, if known to outsiders, might affect their investment decisions. The dissemination of inside information to others who might make use of that knowledge to trade in securities is also prohibited. At the time of hire, all Associates will be asked to sign an acknowledgment of their understanding of, and compliance with, Cumberland's Trading Policy.

Financial Interest in Other Businesses

Cumberland Pharmaceuticals respects the rights of its Associates to manage their personal investments. However, Associates should avoid potential conflicts of interest between their personal financial interests and the business interests of the Company. Examples of such conflicts of interest may include, but are not limited to, having substantial undisclosed financial investments in suppliers, customers, or competitors of the Company; having personal financial interest in a transaction in which the Company is interested in participating; or accepting undisclosed payments or compensation from a supplier, customer, or competitor of the Company. This policy would not apply to an investment in securities in a publicly held corporation constituting less than 1% of the outstanding shares of such corporation, unless the investor's judgment in transactions involving the Company might be affected by reason of the size of the investment in relation to the employee's assets, the amount of business done with the Company and other factors. The existence of a personal financial interest that an Associate believes may be in violation of this policy must be immediately brought to the attention of an HR representative or the Chief Executive Officer of the Company.

Outside Employment

Cumberland Pharmaceuticals encourages Associates to further their professional development and to promote the image of the Company by participating in such activities as teaching, lecturing and speaking engagements. It is expected that any outside activities will be conducted so they do not detract from an individual's ability to perform their assigned responsibilities at Cumberland Pharmaceuticals. If an Associate chooses to engage in any work outside the Company which is in an area related to the work done for Cumberland Pharmaceuticals, prior approval must be obtained in writing from a supervisor and an executive officer.

Acceptance of Gifts

Cumberland Pharmaceuticals Associates must not accept, or permit members of their immediate family to accept, any gifts, gratuities or other favors from any customer, supplier, competitor or other person doing or seeking to do business with Cumberland that would be considered greater than nominal value, as determined within the employee handbook. Gifts that are received which are greater than nominal value should be returned immediately and reported to Human Resources. If immediate return is not practical, the gift should be given to Cumberland for charitable disposition or other disposition as the Company believes appropriate. Additionally, Cumberland's Associates are expected to use good judgment with respect to accepting vendor invitations to special events or dinners. Developing relationships are an important part of running the business, but caution must be used to avoid any appearance of impropriety as a result of attending what might be considered an "expensive" event. If an Associate is faced with a questionable situation or invitation, he/she should consult his/her supervisor.

4. Employment Policies

Equal Employment Opportunity

It is Cumberland Pharmaceuticals' policy to provide equal employment opportunities, and to treat all applicants and Associates in all interactions with the Company equally, without regard to personal characteristics such as race, color, religion, gender, age, national origin, pregnancy, disability, veteran status, or any other legally protected status.

Productive Work Environment

Cumberland Pharmaceuticals makes every effort to provide a working environment that is free from sexual harassment or harassment on the basis of race, color, religion, gender, age, national origin, disability, veteran status or other legally protected

status. The Company strictly prohibits any such harassment.

Any individual determined to have engaged in inappropriate conduct in violation of either the Company's anti-harassment or equal employment opportunity policies will be subject to appropriate disciplinary action up to, and including, termination of employment.

Safety and Health

Cumberland Pharmaceuticals is committed to providing a safe and healthful working environment. The Company makes every effort to comply with relevant federal and state occupational health and safety administration laws and to implement the best feasible operations, procedures, technologies, and programs conducive to such an environment. As mandated by state law, Cumberland has established a Safety Committee to monitor safety and health concerns for the company. The Company's policy is aimed at minimizing the exposure of its Associates, customers, and other visitors to its facilities to health or safety risks. To accomplish this objective, all Associates are expected to work diligently to maintain safe and healthful working conditions and to adhere to proper operating practices and procedures designed to prevent injuries and illnesses.

Additionally, while Cumberland Pharmaceuticals respects individual privacy, it recognizes that substance abuse poses serious health and safety hazards in the workplace. The Company is dedicated to maintaining a substance abuse-free environment and expects all its employees to abide by the Company's Rules of Conduct.

Intellectual Property and Confidential Information

Cumberland Pharmaceuticals expects that its operations, activities and business affairs, and those of its clients, are and will be kept confidential to the greatest possible extent. If Associates acquire confidential or proprietary information about Cumberland Pharmaceuticals, its products, or its clients, such information is to be handled in strict confidence and not to be discussed with persons outside the Company. Associates are also responsible for the internal security of such information. Associates will be asked to sign a statement of confidentiality at the time of hire and may, periodically throughout their term of employment, be asked to acknowledge their awareness of, and reaffirm their commitment to, this policy. Associates found to be violating these policies are subject to disciplinary action, up to and including termination, and may also be subject to civil and/or criminal penalties for violations of, among other things, applicable securities laws. Upon departure from the Company, any such confidential information including data, plans, files or procedures will be promptly returned to the Company by the Associate.

Computers and the Internet

Associates are expected to use approved mechanisms, tools and procedures for any activity or communication that goes through a computer belonging to the Company, as well as for activity or communication going through the Company network. Likewise, while it is acceptable to use Cumberland's computers and internet for incidental personal matters, Associates are not guaranteed personal privacy. This applies to information actually stored on computer hard drives, or information transmitted over the Company's intranet communication systems, or information sent to, from, or stored in the Company's communications network server. Because all documents, including electronic communications, are the Company's property, they are subject to review at any time with or without advance notice.

5. Reporting Procedures

Cumberland has established a reporting system that permits any Associate to openly, confidentially, or anonymously report any suspected violation of the law or these Standards. Information about the reporting process and contact information can be found on the Company's website.