



## Code of Business Conduct and Ethics

CADENCE PHARMACEUTICALS, INC.

### CODE OF BUSINESS CONDUCT AND ETHICS

#### INTRODUCTION

##### Purpose

This Code of Business Conduct and Ethics contains general guidelines for conducting the business of Cadence Pharmaceuticals, Inc. (the "**Company**") consistent with the highest standards of business ethics. To the extent this Code requires a higher standard than required by commercial practice or applicable laws, rules or regulations, we adhere to these higher standards.

This Code applies to all of our directors, officers, employees and agents, including directors, officers, employees and agents of any subsidiaries, operating divisions and units of the Company. We refer to all individuals covered by this Code as "**Company Personnel**," and refer to all of the Company's employees and officers as "**Company Employees**" or simply "**Employees**". In this Code, we refer to our Chief Executive Officer and Chief Financial Officer as our "**Principal Financial Officers**."

In addition to this Code of Business Conduct and Ethics, the Company has adopted a Comprehensive Compliance Program (the "**Compliance Program**") in order to promote compliance with laws, rules and regulations that are applicable to sales, marketing and distribution activities related to the Company's commercial products, and has appointed a Compliance Officer and a Compliance Committee to administer the Compliance Program. Please contact the Company's Compliance Officer for a copy of the Comprehensive Compliance Program.

##### Seeking Help and Information

This Code is not intended to be a comprehensive rulebook and cannot address every situation that you may face. If you feel uncomfortable about a situation or have any doubts about whether it is consistent with the Company's ethical standards, seek help. We encourage you to contact your supervisor for help first. If your supervisor cannot answer your question or if you do not feel comfortable contacting your supervisor, contact the Company's Compliance Officer.

##### Reporting Violations of the Code

All Company Personnel have a duty to report any known or suspected violation of this Code, including violations of the laws, rules, regulations or policies that apply to the Company. If you know of or suspect a violation of this Code, immediately report the conduct to your supervisor or the Company's Compliance Officer. The Company's Compliance Officer will work with you and your supervisor or other appropriate persons to investigate your concern. If you do not feel comfortable reporting the conduct to your supervisor or you do not get a satisfactory response, you may contact the Company's Compliance Officer directly. You may also report known or suspected violations of the Code on the Compliance and Ethics Hotline that is available 24 hours a day, 7 days a week at 1-877-756-4310, or via the web at [www.reportlineweb.com/cadencepharmaceuticals](http://www.reportlineweb.com/cadencepharmaceuticals). You may remain anonymous and will not be required to reveal your identity in calls to the Compliance and Ethics Hotline, although providing your identity may assist the Company in investigating your concern. All reports of known or suspected violations of the law or this Code will be handled sensitively and with discretion. Your supervisor, the Company's Compliance Officer and the Company will protect your confidentiality to the extent possible, consistent with applicable laws and the Company's need to investigate your concern.

It is Company policy that any Company Personnel who violate this Code will be subject to appropriate discipline, which may include termination of employment or removal from the Board, as appropriate. This determination will be based upon the facts and circumstances of each particular situation. If you are accused of violating this Code, you will be given an opportunity to present your version of the events at issue prior to any determination of appropriate discipline. Company Personnel who violate the law or this Code may expose themselves to substantial civil damages, criminal fines and prison terms. The Company may also face substantial fines and penalties and may incur damage to its reputation and standing in the community. Your conduct as a representative of the Company, if it does not comply with the law or with this Code, can result in serious consequences for both you and the Company.

##### Policy Against Retaliation

The Company prohibits retaliation against Company Personnel who, in good faith, seek help or report known or suspected violations. Any reprisal or retaliation against an employee because the employee, in good faith, sought help or filed a report will be subject to disciplinary action, including potential termination of employment.

### **Waivers of the Code**

Any waiver of this Code for our directors, executive officers or other Principal Financial Officers may be made only by our Board of Directors and will be disclosed to the public as required by law or the rules of the Nasdaq Global Market. Waivers of this Code for other Employees may be made only by our Chief Executive Officer or Chief Financial Officer and reported to our Audit Committee.

## **CONFLICTS OF INTEREST**

### **Identifying Potential Conflicts of Interest**

A conflict of interest can occur when the private interests of Company Personnel interfere, or appear to interfere, with the interests of the Company as a whole. You should avoid any private interest that influences your ability to act in the interests of the Company or that makes it difficult to perform your work objectively and effectively.

Identifying potential conflicts of interest may not always be clear-cut. The following situations are examples of conflicts of interest:

- **Outside Employment.** No Company Personnel should be employed by, serve as a director of, or provide any services to a company that the individual knows or suspects is a material customer, supplier or competitor of the Company.
- **Improper Personal Benefits.** No Company Personnel should obtain any material (as to him or her) personal benefits or favors because of his or her position with the Company. Please see "**Gifts and Entertainment**" below for additional guidelines in this area.
- **Financial Interests.** No Company Personnel should have a significant financial interest (ownership or otherwise) in any company that the individual knows or suspects is a material customer, supplier or competitor of the Company. A "significant financial interest" means (i) ownership of greater than 1% of the equity of a material customer, supplier or competitor or (ii) an investment in a material customer, supplier or competitor that represents more than 5% of the total assets of the employee.
- **Loans or Other Financial Transactions.** No Company Personnel should obtain loans or guarantees of personal obligations from, or enter into any other personal financial transaction with, any company that the individual knows or suspects is a material customer, supplier or competitor of the Company. This guideline does not prohibit arms-length transactions with banks, brokerage firms or other financial institutions.
- **Service on Boards and Committees.** No Company Personnel should serve on a board of directors or trustees or on a committee of any entity (whether profit or not-for-profit) whose interests reasonably would be expected to conflict with those of the Company.
- **Actions of Family Members.** The actions of family members outside the workplace may also give rise to the conflicts of interest described above because they may influence an employee's or director's objectivity in making decisions on behalf of the Company. For purposes of this Code, "**family members**" include your spouse or life-partner, brothers, sisters, parents, in-laws and children whether such relationships are by blood or adoption.

For purposes of this Code, a company is a "**material**" customer if the customer has made payments to the Company in the past year in excess of \$200,000 or 5% of the customer's gross revenues, whichever is greater. A company is a material supplier if the supplier has received payments from the Company in the past year in excess of \$200,000 or 5% of the supplier's gross revenues, whichever is greater. If you are uncertain whether a particular company is a material customer or supplier, please contact the Company's Chief Financial Officer or Compliance Officer for assistance.

Conflict of interest issues concerning the Company's directors will be addressed by the Company's Nominating/Corporate Governance Committee.

### **Disclosure of Conflicts of Interest**

The Company requires that Company Personnel disclose any situations that reasonably would be expected to give rise to a conflict of interest. If you suspect that you have a conflict of interest, or something that others could reasonably perceive as a conflict of interest, you must report it in writing to your supervisor or the Company's Compliance Officer. Your supervisor and the Company's Compliance Officer will work with you to determine whether you have a conflict of interest and, if so, how best to

address it. Although conflicts of interest are not automatically prohibited, they are not desirable and may only be waived as described in "Waivers of the Code" above.

## **GIFTS AND ENTERTAINMENT**

The giving and receiving of gifts are subject to a variety of laws, rules and regulations applicable to the Company's operations. These include, without limitation, laws covering the marketing of products, bribery and kickbacks. You are expected to understand and comply with all laws, rules and regulations that apply to your job position. Before you accept or give any gift or provide or receive any entertainment in connection with your services to the Company, you should seek advice from your supervisor or the Company's Compliance Officer.

## **COMPANY RECORDS**

Accurate and reliable records are crucial to our business. Our records are the basis of our earnings statements, financial reports, regulatory submissions and many other aspects of our business and guide our business decision-making and strategic planning. Company records include financial records, personnel records, records relating to our product development, clinical development, manufacturing and regulatory submissions and all other records maintained in the ordinary course of our business.

All Company records must be complete, accurate and reliable in all material respects. Company Personnel who become aware of or suspect potential misconduct, fraud, significant non-compliance with applicable regulations, guidelines or protocols involving any Company-sponsored research, non-clinical study or clinical trial must report their concerns immediately to the Company's head of Quality Affairs and the Compliance Officer.

The Company has a formal document retention policy that Company Personnel must follow with respect to Company records within such employee's or director's control. Please contact your supervisor or the Company's Compliance Officer to obtain a copy of this policy or with any questions concerning the policy.

## **ACCURACY OF FINANCIAL REPORTS AND OTHER PUBLIC COMMUNICATIONS**

As a public company we are subject to various securities laws, regulations and reporting obligations. Both federal law and our policies require the disclosure of accurate and complete information regarding the Company's business, financial condition and results of operations. Inaccurate, incomplete or untimely reporting will not be tolerated and can severely damage the Company and result in legal liability.

The Company's Principal Financial Officers and other Employees working in the Finance Department have a special responsibility to ensure that all of our financial disclosures are full, fair, accurate, timely and understandable. These Employees must understand and strictly comply with generally accepted accounting principles and all standards, laws and regulations for accounting and financial reporting of transactions, estimates and forecasts.

## **COMPLIANCE WITH LAWS AND REGULATIONS**

All Company Personnel have an obligation to comply with all laws, rules and regulations applicable to the Company's operations. These include, without limitation, laws covering bribery and kickbacks, the development, testing, approval, manufacture, marketing and sale of our pharmaceutical products and product candidates, copyrights, trademarks and trade secrets, information privacy, insider trading, illegal political contributions, antitrust prohibitions, foreign corrupt practices, offering or receiving gratuities, environmental hazards, employment discrimination or harassment, occupational health and safety, false or misleading financial information or misuse of corporate assets. You are expected to understand and comply with all laws, rules and regulations that apply to your job position. If any doubt exists about whether a course of action is lawful, you should seek advice from your supervisor, the Company's Compliance Officer or the Legal Department.

## **THE FOOD, DRUG AND COSMETIC ACT AND INTERACTIONS WITH THE FOOD AND DRUG ADMINISTRATION**

The Company's drug products, product candidates and its operations are subject to extensive and rigorous regulation by the U.S. Food and Drug Administration (the "**FDA**") under the Federal Food, Drug, and Cosmetic Act (the "**FFDCA**") and its implementing regulations. The FDA regulates many areas of the Company's operations, including the research, preclinical and clinical testing, and development of our drug products; the submission of data and other information to support FDA approval; the manufacturing, testing, storage and labeling of our drug products; the promotion, distribution, and sale of our drug products (including the provision of drug samples to physicians); and the reporting of adverse events and other information to the FDA. The FDA also regulates the export of drug products manufactured in the United States to international markets. Violation of these laws and regulations can result in severe civil and criminal penalties, adverse publicity for the Company, total

or partial suspension of production of a Company product, withdrawal of a Company product from the market, and disciplinary action by the Company against the responsible individuals, up to and including termination of employment.

## INTERACTIONS WITH THE GOVERNMENT

The Company may conduct business with the U.S., state and local governments and the governments of many other countries. The Company is committed to conducting its business with all governments and their representatives with the highest standards of business ethics and in compliance with all applicable laws and regulations, including the special requirements that apply to communications with governmental bodies that have regulatory authority over our products and operations, such as the FDA, government contracts and government transactions. In your interactions with the government, you should:

- Be forthright and candid at all times. Company Personnel should never intentionally misstate or omit any material information from any written or oral communication with the government.

Ensure that all required written submissions are made to the government and are timely, and that all written submissions, whether voluntary or required, satisfy applicable laws and regulations.

You should not offer or exchange any gifts, gratuities or favors with, or pay for meals, entertainment, travel or other similar expenses for, U.S. federal government Employees.

If your job responsibilities include interacting with the government, you are expected to understand and comply with the special laws, rules and regulations that apply to your job position as well as with any applicable standard operating procedures that the Company has implemented. If any doubt exists about whether a course of action is lawful, you should seek advice immediately from your supervisor and the Company's Compliance Officer.

Company Personnel with responsibilities in the areas governed by the FFDCa and the FDA are required to understand and comply with these laws and regulations. These Employees are expected to have a thorough understanding of the laws, regulations and other relevant standards applicable to their job positions, and to comply with those requirements. The Company has developed standard operating procedures and provides regular training to aid Employees in understanding and complying with the requirements of the FFDCa and the FDA. If any doubt exists regarding whether your job position or a particular course of action is governed by these laws and regulations, you should seek advice immediately from your supervisor and the Company's Compliance Officer or the Legal Department.

## POLITICAL CONTRIBUTIONS AND ACTIVITIES

The Company encourages its Employees and directors to participate in the political process as individuals and on their own time. However, federal and state contribution and lobbying laws severely limit the contributions the Company can make to political parties or candidates. It is Company policy that Company funds or assets not be used to make a political contribution to any political party or candidate, unless prior approval has been given by our Chief Executive Officer and our Chief Financial Officer.

The following guidelines are intended to ensure that any political activity you pursue complies with this policy:

- Contribution of Funds. You may contribute your personal funds to political parties or candidates. The Company will not reimburse you for personal political contributions.
- Volunteer Activities. You may participate in volunteer political activities during non-work time. You may not participate in political activities during working hours.
- Use of Company Facilities. The Company's facilities generally may not be used for political activities (including fundraisers or other activities related to running for office). However, the Company may make its facilities available for limited political functions, including speeches by government officials and political candidates, with the approval of our Chief Executive Officer and the Company's Chief Financial Officer.
- Use of Company Name. When you participate in political affairs, you should be careful to make it clear that your views and actions are your own, and not made on behalf of the Company. For instance, Company letterhead should not be used to send out personal letters in connection with political activities.

These guidelines are intended to ensure that any political activity you pursue is done voluntarily and on your own resources and time. Please contact the Company's Compliance Officer if you have any questions about this policy.

## COMPLIANCE WITH ANTITRUST LAWS

Antitrust laws of the U.S. and other countries are designed to protect consumers and competitors against unfair business practices and to promote and preserve competition. Our policy is to compete vigorously and ethically while complying with all antitrust, monopoly, competition or cartel laws in all countries, states or localities in which the Company conducts business. You should consult the Company's Compliance Officer with any questions you may have concerning compliance with these laws.

## COMPLIANCE WITH INSIDER TRADING LAWS

Consistent with the Company's Insider Trading Compliance Program which has been separately circulated to all Employees and directors, the Company's Employees and directors are prohibited from trading in the stock or other securities of the Company while in possession of material, nonpublic information about the Company. Please contact the Company's Compliance Officer for a copy of the Insider Trading Compliance Program or with any questions you may have about insider trading laws.

## PUBLIC COMMUNICATIONS AND REGULATION FD

The Company has adopted a separate **Policy Statement - Guidelines for Corporate Disclosure** to maintain the Company's credibility and reputation in the community, to maintain the confidentiality of competitive and proprietary information and to prevent selective disclosure of market-sensitive financial data. Please contact the Company's Compliance Officer for a copy of the Policy Statement – Guidelines for Corporate Disclosure or with any questions you may have about disclosure matters.

## THE FOREIGN CORRUPT PRACTICES ACT

The Foreign Corrupt Practices Act (the "**FCPA**") prohibits the Company and its Employees, directors and agents from offering or giving money or any other item of value to win or retain business or to influence any act or decision of any governmental official, political party, candidate for political office or official of a public international organization. Stated more concisely, the FCPA prohibits the payment of bribes, kickback or other inducements to foreign officials. This prohibition also extends to payments to a sales representative or agent if there is reason to believe that the payment will be used indirectly for a prohibited payment to foreign officials. Violation of the FCPA is a crime that can result in severe fines and criminal penalties, as well as disciplinary action by the Company, up to and including termination of employment.

Certain small facilitation or "grease" payments to foreign officials may be permissible under the FCPA if customary in the country or locality and intended to secure routine governmental action. Governmental action is "routine" if it is ordinarily and commonly performed by a foreign official and does not involve the exercise of discretion. For instance, "routine" functions would include setting up a telephone line or expediting a shipment through customs. To ensure legal compliance, all facilitation payments must receive prior written approval from the Company's Compliance Officer and must be clearly and accurately reported as a business expense.

## ENVIRONMENT, HEALTH AND SAFETY

The Company is committed to providing a safe and healthy working environment for its Employees and to avoiding adverse impact and injury to the environment and the communities in which it does business. Company Employees and directors must comply with all applicable environmental, health and safety laws, regulations and Company standards. It is your responsibility to understand and comply with the laws, regulations and policies that are relevant to your job. Failure to comply with environmental, health and safety laws and regulations can result in civil and criminal liability against you and the Company, as well as disciplinary action by the Company, up to and including termination of employment. You should contact the Company's Compliance Officer if you have any questions about the laws, regulations and policies that apply to you.

### Environment

All Company Employees and directors should strive to conserve resources and reduce waste and emissions through recycling and other energy conservation measures. You have a responsibility to promptly report any known or suspected violations of environmental laws or any events that may result in a discharge or emission of hazardous materials.

### Health and Safety

The Company is committed not only to comply with all relevant health and safety laws, but also to conduct business in a manner that protects the safety of its Employees. All Employees and directors are required to comply with all applicable health and safety laws, regulations and policies relevant to their positions. If you have a concern about unsafe conditions or tasks that present a risk of injury to you, please report these concerns immediately to your supervisor or the Human Resources Department.

## EMPLOYMENT PRACTICES

The Company pursues fair employment practices in every aspect of its business. The following is intended to be a summary of our employment policies and procedures. Copies of the Company's detailed policies are available on the Company's intranet and from the Human Resources Department. Company Employees must comply with all applicable labor and employment laws, including anti-discrimination laws and laws related to freedom of association and privacy. It is your responsibility to understand and comply with the laws, regulations and policies that are relevant to your job. Failure to comply with labor and employment laws can result in civil and criminal liability against you and the Company, as well as disciplinary action by the Company, up to and including termination of employment. You should contact the Company's Human Resources Department or Compliance Officer if you have any questions about the laws, regulations and policies that apply to you.

### Harassment and Discrimination

The Company is committed to providing equal opportunity and fair treatment to all individuals on the basis of merit, without discrimination because of race, color, religion, national origin, sex (including pregnancy), sexual orientation, age, disability, veteran status or other characteristic protected by law. The Company also prohibits harassment based on these characteristics in any form, whether physical or verbal and whether committed by supervisors, non-supervisory personnel or non-Employees. Harassment may include, but is not limited to, offensive sexual flirtations, unwanted sexual advances or propositions, verbal abuse, sexually or racially degrading words, or the display in the workplace of sexually suggestive or racially degrading objects or pictures.

If you have any complaints about discrimination or harassment, report such conduct to your supervisor or the Human Resources Department. You may also report such conduct on the Compliance and Ethics Hotline that is available 24 hours a day, 7 days a week at 1-877-756-4310, or via the web at [www.reportlineweb.com/cadencepharmaceuticals](http://www.reportlineweb.com/cadencepharmaceuticals). All complaints will be treated with sensitivity and discretion. Your supervisor, the Human Resources Department and the Company will protect your confidentiality to the extent possible, consistent with law and the Company's need to investigate your concern. Where our investigation uncovers harassment or discrimination, we will take prompt corrective action, which may include disciplinary action by the Company, up to and including, termination of employment. The Company strictly prohibits retaliation against an employee who, in good faith, files a complaint.

Any member of management who has reason to believe that an employee has been the victim of harassment or discrimination or who receives a report of alleged harassment or discrimination is required to report it to the Human Resources Department immediately.

### Alcohol and Drugs

The Company is committed to maintaining a drug-free work place. All Company Employees must comply strictly with Company policies regarding the abuse of alcohol and the possession, sale and use of illegal substances. Drinking alcoholic beverages is prohibited while on duty or on the premises of the Company, except at specified Company-sanctioned events or as otherwise authorized by management. Possessing, using, selling or offering illegal drugs and other controlled substances is prohibited under all circumstances while on duty or on the premises of the Company. Likewise, you are prohibited from reporting for work, or driving a Company vehicle or any vehicle on Company business, while under the influence of alcohol or any illegal drug or controlled substance.

### Violence Prevention and Weapons

The safety and security of Company Employees is vitally important. The Company will not tolerate violence or threats of violence in, or related to, the workplace. If you experience, witness or otherwise become aware of a violent or potentially violent situation that occurs on the Company's property or affects the Company's business, you must immediately report the situation to your supervisor or the Human Resources Department.

The Company does not permit any individual to have weapons of any kind in Company property or vehicles, while on the job or off-site while on Company business. This is true even if you have obtained legal permits to carry weapons. The only exception to this policy applies to security personnel who are specifically authorized by Company management to carry weapons.

## CONCLUSION

This Code of Business Conduct and Ethics contains general guidelines for conducting the business of the Company consistent with the highest standards of business ethics. If you have any questions about these guidelines, please contact your supervisor or the Company's Compliance Officer. The Company expects all Company Personnel to adhere to these standards.

This Code of Business Conduct and Ethics, as applied to the Company's Principal Financial Officers, shall be our "**code of ethics**" within the meaning of Section 406 of the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder.

This Code and the matters contained herein are neither a contract of employment nor a guarantee of continuing Company

policy. The Company reserves the right to amend, supplement or discontinue this Code and the matters addressed herein, without prior notice, at any time.