



Standards of Business Conduct

January, 2012

“At IGI our corporate culture is based upon honesty and integrity in everything we do. These are driving principles in our daily activities.”

-President and Chief Executive Officer

Scope

As employees of IGI we have a responsibility to comply with all applicable legal requirements, and further to act with integrity and honesty in all business dealings. Our suppliers, customers, and shareholders rely on it.

This Standards of Business Conduct manual outlines the standards of integrity and responsible conduct required from all employees of IGI Laboratories, Inc. (IGI) to protect the trust of our suppliers, customers, and shareholders. It is important that IGI employees adhere to both the spirit and letter of these standards. We must continually evaluate our performance to assure we are in compliance with these Standards of Conduct, IGI policies, and applicable law. If you are unsure, consult your manager or Human Resources before taking action.

Fostering Integrity

IGI promotes and fosters an environment where honesty, integrity, and responsible conduct define how we conduct

business. By following these standards we make IGI a desirable place to work, an attractive business partner for suppliers and customers, and a company where investors can place their trust and confidence.

Responsibilities of employees

As an employee of IGI one is expected to act in compliance with these Standards of Business Conduct, all IGI policies, and applicable law. IGI takes this responsibility seriously and expressly prohibits violations. Failure to conduct oneself accordingly will be considered acting outside the scope of employment and, as a result, will subject the individual to disciplinary action, up to and including dismissal.

Responsibilities of company leaders

Leading by example, demonstrating honesty and integrity, and encouraging consideration of legal and ethical implications of business decisions is the responsibility of supervisors at all levels throughout the organization. To help create and sustain a work environment where integrity and responsible behavior is expected, encouraged, and required, we look to our supervisors to be trustworthy resources to provide guidance, training, and support to employees.

At IGI we have an open door policy where employees can raise issues and concerns regarding integrity and responsible behavior. All issues and concerns must be addressed promptly by the supervisor or other appropriate member of management.

Post-employment responsibilities

Upon ending employment at IGI, individuals have certain responsibilities, including an obligation to:

- >Return all company assets in one's possession
- >Maintain the confidentiality of company information
- >Refrain from trading stock or securities based upon material, non-public information obtained in the course of employment by IGI
- >Assist IGI with investigations, litigation, and transfer and protection of intellectual property relating to one's employment at IGI, if requested.

Maintaining a Safe and Productive Workplace

Treating each other with respect and dignity is a foundation of good business conduct and is expected at IGI. We are expected to value and respect the unique character and contribution each employee makes to create value and contribute to the company's success.

Diversity

At IGI we value the principles of diversity and inclusion. We provide equal opportunity to all applicants and employees at all stages of the employment process (e.g. recruiting, hiring, promotion, compensation, access to training) in compliance with

applicable laws. We are committed to having a diverse, inclusive workplace that is free from discrimination, where all employees are respected and valued for their differences.

Harassment and Bullying

Harassment and bullying are unacceptable behaviors and will not be tolerated at IGI. Harassment consists of unwelcome conduct, verbal, non-verbal, or physical, that is based upon an individual's age, gender, race, national origin, color, religion, sexual orientation or disability that affects an individual's employment or creates an intimidating or hostile working environment. It includes unwelcome sexual advances, requests for sexual favors and other unwelcome verbal or physical conduct of a sexual nature. Bullying or intimidation is the persistent or demeaning downgrading of an individual through words, actions, or communications which erode self-confidence and undermine self-esteem.

IGI will not tolerate harassment, bullying or intimidation of employees by co-workers, managers, suppliers, customers, or others with whom we conduct business. Employees are encouraged to report instances of harassment, bullying, or intimidation to their supervisor or Human Resources.

Health and Safety

IGI strives to provide a healthy, safe work environment for its employees. Each employee is responsible for observing the laws, regulations, and company policies relating to on-the-job

safety and health. All accidents, injuries, or unsafe practices or conditions must be reported to one's supervisor and the company Safety Committee so that the situation may be appropriately remedied.

Workplace Violence Prevention

IGI is committed to provide a workplace free of threats, intimidation, and physical harm. We will not tolerate workplace violence and will investigate and take action against any reported incidents.

Substance Abuse

The health and safety of all employees and the quality demanded by our customers requires that each employee report to work free from the influence of any substance that could prevent them from working safely and effectively. The unauthorized use, possession, or distribution of alcohol or drugs while in the workplace, on company property, or while on company business is prohibited. IGI retains the right to perform random drug testing of employees.

Protecting IGI and its Shareholders

As an employee of IGI, one is entrusted to carry out one's responsibilities in a manner that protects the interests of the company and its shareholders. By adhering to the Standards of

Business Conduct each employee is contributing to our reputation of trustworthiness and accountability.

Business Records and Communications

Decisions are made every day based upon information recorded by employees at all levels of the company. It is critical that employees who create or maintain reports, records, or other information, including e-mails, ensure the integrity and accuracy of that information and never create false or misleading reports or records. Such reports or records include, although not limited to:

- Production, Analytical, and Quality records

- Documents filed or submitted to government and regulatory agencies

- Expense reports

- Financial statements and related accounting entries and adjustments

- Time and attendance reports

All public communications and disclosures in reports and documents filed with regulatory agencies (FDA, American Stock Exchange, SEC, etc.) must be made in a full, fair, accurate, timely and understandable manner.

Business documents and communications may become public through litigation, government investigation and the media.

Every document and communication must accurately record the facts avoiding false or derogatory remarks, exaggeration, guesswork, or legal conclusions.

Records Management

IGI is committed to complying with all applicable laws and regulations relating to the preservation of records. Certain laws and regulations require specific documents be kept for various periods of time. All records should be identified, maintained, and disposed of in compliance with applicable laws and regulations and IGI business policy. Under no circumstances may records be selectively edited or discarded.

Authority to Act on behalf of IGI

Each employee must adhere to the limits of authority to act on behalf of IGI by their position and may not take any action to exceed or circumvent those limits. Unless authorized to do so, an employee may not sign any document on behalf of IGI or in any other way represent or exercise authority on behalf of the company.

Company Assets

Employees are expected to take reasonable precautions to safeguard the assets of the company to ensure their proper use. IGI assets include financial assets such as cash and securities, physical assets such as furnishings, equipment, inventory, and supplies, as well as, customer relationships and intellectual

property, including information about products, services, customers, systems, and people.

All assets created, obtained, or compiled by or on behalf of IGI belong to the company, including customer lists, directories, files, project and product lists, reference materials and reports, computer software and databases. Upon leaving employment with IGI all company assets and data are to be returned.

We discourage the use of the company's computer and telephone systems for personal use. Under no circumstances will the use of company assets in any manner connected with offensive, sexually explicit or inappropriate material be tolerated at any time. In compliance with applicable law, personal messages on IGI computer and telephone systems may be monitored.

Conflicts of Interest

In making business decisions with honesty and integrity, employees must avoid any activity or personal interest that creates or appears to create a conflict of interest. A conflict of interest arises when an employee's personal interest interferes with the objective performance of work for or on behalf of IGI. Decisions and actions must be governed by the best interest of the company. Employees are therefore prohibited from:

- Using company property, information, or their position for personal gain

Competing with IGI

Serving on the governing body of a supplier, competitor, or customer

Accepting gifts from someone that does business or seeks to do business with the company

Participating or working in a business that may conflict with one's job performance at IGI or that does business, seeks to do business with or competes with IGI

Doing business on behalf of IGI with a company in which a relative has an interest

Providing monetary support from company funds to charitable organizations with which the employee has an affiliation

When in doubt about a potential conflict of interest or a situation that may be interpreted as one, employees are encouraged to seek the guidance of their supervisor.

Restrictions on Buying and Selling Stock and Securities

While employed at IGI, employees may become aware of information that has not been released to the public and may be material in an investor's decision to buy or sell the stock or other securities of IGI or another company. It is a violation of IGI policy to trade in the securities of a company, including IGI, when in possession of material non-public information about

that company. Further, employees are restricted from disclosing such information to anyone else (including, but not limited to, relatives, friends, co-workers or stockbrokers) until said information has been released to the public and the public has had time to react.

The Marketplace

Our success depends upon strong relationships with suppliers, customers, and other business partners. IGI intends to do business only with those businesses that comply with applicable laws and demonstrate high standards of business conduct.

Marketing Practice

IGI policy is to compete for business diligently, openly, and honestly. Employees may not misrepresent IGI products, services or prices, nor may they make false or misleading claims about company products or services or those of our competitors.

Purchasing Practice

All purchasing decisions are based upon achieving optimal value for the company. Supplier selection is non-discriminatory and based only upon appropriate business considerations. IGI expects suppliers to comply with applicable laws and demonstrate high standards of business conduct.

Customer Relationships

Our approach to customers is on the basis of value creation or enhancement. All IGI employees are expected to demonstrate integrity and professionalism in all customer contacts.

Meals, Entertainment, and Gifts

IGI policy is to conduct all business with honesty and integrity, free from any personal consideration. Employees must avoid even the appearance of impropriety in dealing with business associates. Meals may occasionally be provided to or accepted from suppliers and customers if the meal is provided in connection with a business meeting or presentation. All other entertainment should be limited in scope.

Confidential Information

In the ordinary course of business employees are entrusted with valuable company confidential information. Employees may not disclose confidential IGI information to anyone outside the company unless: 1. A confidential disclosure agreement has been entered into with the person or entity in question, or 2. The disclosure has been properly authorized by IGI management. Employees are also obligated to hold in confidence other company's confidential information disclosed to IGI.

Intellectual Property

Intellectual property consists of innovations, inventions, discoveries, improvements, ideas, processes, know-how, designs, plans, works of authorship, as well as other information

relating to the current and potential business activities of IGI. Intellectual property must be protected as confidential and proprietary information of IGI. Employee contributions to intellectual property are the property of the company. Employees must promptly disclose to management any intellectual property created through employment so that IGI Legal Counsel can consider patentability options and infringement concerns. Employees agree that any and all rights to intellectual property (whether or not protected by patent copyright, trademark, or trade secret) are assigned to IGI. Employees must execute and process any applications, assignments or other documentation deemed necessary or advisable to obtain by IGI to protect its interests.

Bribery and Corruption

IGI complies with all anti-corruption laws, prohibiting the payment of money, gifts, or other items of value to influential officials.

Fair Competition and Anti-Trust

IGI is committed to compliance with the anti-trust laws of the United States. Anti-trust and Fair Competition laws constrain or prohibit:

Discussions among competitors about any topics of competitive significance, such as prices, pricing policies, discounts, promotions, profits, costs, terms of sale, production capacities, etc.

Any arrangement where the parties agree to only do business with each other

Conditioning a customer's ability to purchase one product or service on the purchase of another product or service, or conditioning discounts

Boycotts

A boycott request occurs, in a business context, when a third party agrees to do business with IGI only if IGI agrees not to do business with another party or country. Employees of IGI must comply with US laws and actions pertaining to boycott activities and countries.

Communities and Governments

These Standards of Conduct provide only the minimum acceptable levels of business conduct. IGI employees shall strive for a higher standard by working together with the communities and governments where we conduct our business.

Environment

IGI is committed to preserving the environment in a responsible way. Our effort includes: recycling of materials, proper disposal of waste materials, and conservation of energy. IGI employees are required to minimize, to the extent practical, the adverse impact IGI products, processes, and services have on the environment. IGI will comply with all environmental laws and

will not operate without the proper permits, licenses, and approvals.

Government Inquiries

As a public company, IGI is regulated by various governmental agencies. At times, employees may be contacted by government officials responsible for enforcing laws. When asked to provide information, employees must provide the requested information honestly and truthfully.

Political Activities and Contributions

IGI funds may not be used to contribute to any political candidate, party, campaign, or organization. Employees are encouraged to privately participate in the political process, however, making it clear that your views, actions, gifts, and contributions are not those of IGI.

Getting Help/Raising Concerns

In applying these Standards of Business Conduct to your work life, you may have questions or you may need to raise concerns about conduct that you suspect is in violation of these Standards of Business Conduct, company policies, or applicable laws. When such situations arise, an employee should ask questions, seek guidance, or otherwise raise concerns by speaking with their supervisor. Alternatively, one may contact Human Resources directly.

Accounting, Auditing, Internal Controls, Financial Reporting

Employees may submit written concerns or reports of possible violations regarding accounting, auditing, internal controls, or financial reporting to the chairperson of the IGI Audit Committee of the Board of Directors, c/o Human Resources, 105 Lincoln Avenue, Buena, NJ 08310. An employee may also choose to make a report through the anonymous Internet Reporting System, www.alertline.com and enter IGI. On the pull-down screen, select IGI Laboratories, Inc. or call the toll-free hotline at 1-877-874-8416 to speak with a live Global Compliance Representative.

All reports related to accounting, auditing, internal controls, or financial reporting will be investigated under the direction of the Audit Committee by such persons deemed appropriate by the Committee. The Committee will review the outcome of all investigations, including corrective actions.

Investigation and Resolution

Company officials will promptly respond to all questions, guidance requests, and concerns raised about a suspected violation brought forward by employees. Situations will be resolved by appropriate corrective action. Corrective actions may include, among other things, clarification of company policy, additional training, process change, or disciplinary action. IGI handles all inquiries and investigations confidentially.

No Retaliation

IGI will not demote, discharge, suspend, threaten, harass or in any other manner retaliate against an employee who truthfully raises a concern about any actual or suspected violation. Any employee who believes they have been retaliated against for providing such information should immediately contact Human Resources.

IGI Laboratories, Inc.
Standards of Business Conduct
Annual Report of Compliance- 2011

I, _____, an employee of IGI hereby certify that I am familiar with the IGI Standards of Business Conduct. I agree to comply with the IGI Standards of Business Conduct, company policies, and all applicable laws in all actions which I perform for, or on behalf of, IGI.

I further understand that in accordance with the section entitled “Getting Help/Raising Concerns” in the Standards I am obligated to promptly report in good faith any actual or suspected violations of the IGI Standards of Business Conduct, including any violation of laws, without fearing retribution for such reporting and that any reported violation will be investigated.

I hereby certify that I am not currently aware of any actual or suspected violations reportable under the Standards of Business Conduct, which have not been previously reported.

Employee

Signature _____ Date: _____

Name: _____

Position: _____