

**BRADLEY PHARMACEUTICALS, INC.
CORPORATE GOVERNANCE GUIDELINES**

I. COMPOSITION OF THE BOARD OF DIRECTORS

A. Size of the Board

The Bylaws of Bradley Pharmaceuticals, Inc., a Delaware corporation (the “Company”), provides that the Board of Directors (the “Board”) shall consist of at least three (3) and not more than eleven (11) directors, with the Board to establish the number of directors from time to time. The Board believes that a desirable target number of directors is seven (7) to nine (9), allowing diversity of perspectives and experience without hindering effective discussion.

B. Board Membership Criteria

The Nominating and Corporate Governance Committee (the “Governance Committee”) is responsible for reviewing with the Board, on an annual basis, the appropriate criteria for membership to the Board. Generally, the members of the Board must, at all times, reflect the following characteristics:

1. Each director shall at all times represent the interests of the stockholders of the Company.
2. Each director shall at all times exhibit high standards of integrity, independence of thought, business judgment and leadership.
3. Each director shall dedicate sufficient time, energy and attention to ensure the diligent performance of his or her duties, including by attending stockholder meetings and meetings of the Board and committees of which he or she is a member, and by reviewing in advance all meeting materials.
4. The Board shall meet the standards of independence from the Company and its management set forth under “Independent Directors” below.
5. The Board shall encompass a range of talent, skill, industry knowledge and financial and accounting expertise sufficient to provide sound and prudent guidance with respect to all of the Company’s operations and interests.

C. Selection of New Directors

The Governance Committee identifies, evaluates and recommends to the Board candidates believed qualified to serve on the Board. The Board is responsible for selecting from such candidates potential members and recommending them for election by the stockholders or by a majority vote of the Board to fill vacancies. The invitation to join the Board should be extended by the Chairman of the Board, on behalf of the entire Board.

II. INDEPENDENT DIRECTORS

It is the policy of the Board that a majority of directors be independent of the Company and of the Company's management. For a director to be deemed "independent," the Board shall affirmatively determine that the director has no material relationship with the Company or its affiliates or any member of the management of the Company or his or her affiliates. This determination shall be disclosed in the proxy statement for each annual meeting of the Company's stockholders.

A. Standards

In making this determination, the Board shall apply the following standards (subject to any exemptions permitted under applicable rules of the New York Stock Exchange, Inc.):

1. A director who is an employee, or whose immediate family member is an executive officer, of the Company may not be deemed independent until three (3) years after the termination of such employment relationship. Employment as an interim Chairman of the Board or Chief Executive Officer will not disqualify a director from being considered independent following that employment.
2. A director who receives, or whose immediate family member receives, more than \$100,000 per year in direct compensation from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service), may not be deemed independent until three years after he or she ceases to receive more than \$100,000 in compensation. Compensation received by a director for former service as an interim Chairman of the Board or Chief Executive Officer and compensation received by an immediate family member for service as a non-executive employee of the Company will not be considered in determining independence under this test.
3. A director who is affiliated with or employed by, or whose immediate family member is affiliated with or employed in a professional capacity by, a present or former internal or external auditor of the Company may not be deemed independent until three years after the end of the affiliation or the employment or auditing relationship.
4. A director who is employed, or whose immediate family member is employed, as an executive officer of another company where any of the Company's current executive officers serve on that company's compensation committee may not be deemed independent until three years after the end of such service or the employment relationship.
5. A director who is an executive officer, general partner or employee, or whose immediate family member is an executive officer or general partner, of an entity that makes payments to, or receives payments from, the Company for

property or services in an amount which, in any single fiscal year, the greater of \$1 million or 2% of such other entity's consolidated gross revenues, may not be deemed independent until three years after falling below that threshold.

B. Definitions

For purposes of these Guidelines, the terms:

1. "Affiliate" means any consolidated subsidiary of the Company and any other Company or entity that controls, is controlled by or is under common control with the Company, as evidenced by the power to elect a majority of the board of directors or comparable governing body of such entity; and
2. "Immediate Family" means spouse, parents, children, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, brothers- and sisters-in-law and anyone (other than domestic help) sharing a person's home, but excluding any person who is no longer an immediate family member as a result of legal separation or divorce, or death or incapacitation.

The Board shall undertake an annual review of the independence of all non-employee directors. In advance of the meeting at which this review occurs, each non-employee director shall be asked to provide the Board with full information regarding the director's business and other relationships with the Company, its affiliates, executive officers of the Company and their affiliates, to enable the Board to evaluate the director's independence.

Directors have an affirmative obligation to inform the Board of any material changes in their circumstances or relationships that may impact their designation by the Board as "independent." This obligation includes all business relationships between, on the one hand directors or members of their immediate family, and, on the other hand, the Company, its affiliates, executive officers of the Company and their affiliates.

III. BOARD RESPONSIBILITIES

A. Purpose

The responsibility of the Board is to supervise and direct the management of the Company in the interest and for the benefit of the Company's stockholders. In carrying out this responsibility, the Board also considers the concerns of interested parties, including its employees, customers, suppliers, local communities and public at large. Directors must rely upon the honesty and integrity of the Company's executive officers, employees and outside advisors in making Board decisions.

B. Duties

The Board shall, acting directly or through committees, have the following duties:

1. Overseeing the conduct of the Company's business to evaluate whether the business is being properly managed;

2. Reviewing and, where appropriate, approving the Company's major financial objectives, plans and actions;
3. Reviewing and, where appropriate, approving major changes in the appropriate auditing and accounting principles and practices to be used in preparing the Company's financial statements;
4. Assessing major risk factors relating to the Company and its performance, and reviewing measures to address and mitigate such risks;
5. With the advice of the Governance Committee, regularly evaluating the performance of the Chief Executive Officer and the other executive officers; and
6. Planning for succession with respect to the position of Chief Executive Officer and monitoring management's succession planning for other key executive officers.

The Board has delegated to the Chief Executive Officer, working with the other executive officers of the Company and its affiliates, the authority and responsibility for managing the business of the Company in a manner consistent with the standards of the Company, and in accordance with any specific plans, instructions or directions from the Board.

The Chief Executive Officer shall seek the advice and, where appropriate, the approval of the Board with respect to extraordinary actions to be undertaken by the Company, including those that would make a significant change in the financial structure or control of the Company, the acquisition or disposition of any significant business or the entry of the Company into a major new line of business.

C. Continuing Director Education

Upon joining the Board, each new director should familiarize himself or herself with the Company's strategic plans, its financial and accounting practices and its internal procedures, and meet with Company management. Directors are expected to continue educating themselves with respect to industry practice, accounting and finance, leadership, crisis management, general management and strategic planning. The Company may, from time to time, offer continuing education programs for directors.

D. Ethics and Conflicts of Interest

The Board expects its directors, executive officers and other employees to act ethically at all times and to acknowledge adherence to the Company's Code of Business Conduct and Ethics. Any waiver of the Code of Business Conduct and Ethics for directors and executive officers may be made only by the Board or a committee of the Board and must be promptly disclosed to stockholders. Directors are expected to avoid any action, position or interest that conflicts with an interest of the Company, or that gives the appearance of a conflict. If any actual or potential conflict of interest arises for a director, the director shall promptly inform the Chief Executive Officer, the Chairman of the Board and the Chairman of the Governance Committee. If a

significant conflict exists and cannot be resolved, the director should resign. All directors will recuse themselves from any discussion or decision affecting their direct or indirect personal interests.

E. Conflicts of Interest

Directors are expected to avoid any action, position or interest that conflicts with an interest of the Company, or that gives the appearance of a conflict. If any actual or potential conflict of interest arises for a director, the director shall promptly inform the Board, which shall determine what action, if any, is required.

IV. BOARD STRUCTURE

A. Selection of Chairman of the Board and Chief Executive Officer

The Board's policy is that the positions of Chairman of the Board and Chief Executive Officer may be held by the same person. The Board believes this combination has served the Company well over many years by providing unified leadership and direction. The Board may, in its discretion, separate these positions in the future.

B. Term Limits

The Board's policy is not to establish term limits. While term limits could help ensure that there are fresh ideas and viewpoints available to the Board, term limits cause the loss of valuable insight and contributions from experienced directors.

C. Board Compensation

The Compensation Committee is responsible for reviewing and recommending to the Board, on an annual basis, the compensation for directors and the Company's executive officers. The Compensation Committee will consider how the Company's director compensation practices compare with those of other public and peer group corporations. Any change in Board compensation will be made upon the recommendation of the Compensation Committee and following discussion and approval by the Board.

Compensation may be paid in the form of cash or equity interests in the Company or such other forms as the Board deems appropriate. Separate compensation may be provided to members of committees of the Board and additional compensation may be provided to the chairs of the Board and committees. Directors who are also employees of the Company shall not receive any additional compensation for their services as directors.

D. Retirement Age

The Board's policy is that directors should retire as a director at the Annual Meeting of Stockholders following his or her 75th birthday. The full Board may make exceptions to this policy for special circumstances.

E. Other Directorships

The Board does not have a formal policy regarding other directorships; however, directors are encouraged to limit the number of other boards (excluding non-profit organizations) on which they serve. Directors are encouraged to advise the Chairman of the Board and the Governance Committee in advance of accepting an invitation to serve another board. The Board and the Governance Committee will consider the nature and time requirement of a director's service on other boards in evaluating the suitability of the individual director and making its recommendation to the stockholders.

F. Executive Session of Non-Management Directors

The non-management directors of the Board will meet in Executive Session at least three (3) times per year to discuss such topics as the non-management directors determine. "Non-Management" directors are those who are not company officers (as such term is defined in Rule 16a-1(f) under the Securities Act of 1933), and includes such directors who do not meet the definition of an independent director under the rules of the New York Stock Exchange, Inc. Minutes of the Executive Sessions should be kept, describing who participated, the general topics discussed, and such other details as the non-management directors determine.

The non-management directors shall designate from time to time one non-management director to serve as the Presiding Director to chair the Board's Executive Sessions. In addition, the Presiding Director shall advise the Chairman of the Board and, as appropriate, committee chairs with respect to agendas and information needs relating to Board and committee meetings; provide advice with respect to the selection of committee chairs; and perform such other duties as the Board may from time to time delegate to assist the Board in the fulfillment of its responsibilities.

V. BOARD MEETINGS

A. Frequency of Meetings

The Chairman of the Board, in consultation with the other members of the Board, shall determine the timing and length of the meetings of the Board. The Board expects that at least four (4) regular meetings at appropriate intervals are desirable for the performance of the Board's responsibilities. In addition to regularly scheduled meetings, unscheduled Board meetings may be called upon appropriate notice at any time (or unanimous written consents of the Board may be executed in lieu of meetings) to address specific needs of the Company.

B. Selection of the Agenda for Board Meetings

The Chairman of the Board shall establish the agenda for each Board meeting. Each director shall be entitled to suggest the inclusion of items on the agenda, request the presence of or a report by any member of the Company's management, or at any Board meeting raise subjects that are not on the agenda for that meeting. The agenda will be distributed in advance of the meeting to each director. The agendas for Board meetings shall provide opportunities for the Company management to make presentations to the Board during the course of the year.

C. Distribution of Board Materials

Information, data and presentation materials that are important to the Board's understanding of the business will be distributed in writing to the Board before the Board meets where possible. The Board acknowledges that, under certain circumstances, written materials may be unavailable to directors in advance of a meeting, and that certain items to be discussed at the Board meetings are of an extremely sensitive nature such that the distribution of materials on these matters prior to the Board meeting may not be appropriate.

D. Involvement of Management

Board members have complete access to the Company's management and outside advisors. Directors will use proper judgment to assure that this contact will not distract management from the business operation of the Company.

VI. BOARD COMMITTEES

A. Current Committees

Committees shall be established by the Board from time to time to facilitate and assist in the execution of the Board's responsibilities. Generally, committees shall be established by the Board to address issues that, because of their complexity, technical nature, level of detail, time requirements and/or sensitivity, cannot be adequately addressed within the normal agenda of a Board meeting.

The Board currently has three (3) committees:

1. Audit Committee;
2. Compensation Committee; and
3. Nominating and Corporate Governance Committee.

B. Structure and Independence of Committees

Each committee shall have a written charter of responsibilities, duties and authorities, which shall periodically be reviewed by the Governance Committee and the Board. Each committee shall regularly report to the Board with respect to its activities, findings and recommendations. Each committee member must be "independent" in accordance with the applicable requirements of the New York Stock Exchange, Inc.

C. Appointment of Committee Members

The Board is responsible, after consultation with the Governance Committee, for the appointment of directors to various committees, including evaluating and selecting Board committee chairs. The ideal size of each committee should be three (3) to five (5) members, unless circumstances call for an exception. The Board does not have a firm policy mandating

rotation of committee assignments since there may be reasons to maintain an individual director's committee membership for a longer period.

D. Frequency and Length of Committee Meetings

The committee chairman, in consultation with committee members, will determine the frequency and length of the meetings of the committee. The committee chairman will regularly report the highlights of their meetings to the Board.

E. Committee Agendas

The committee chairman, in consultation with the appropriate members of the committee and management, will develop the committee's agenda. Any director, however, may recommend the inclusion of a specific agenda item for any committee meeting, regardless of whether the director is a member of such committee.

VII. MANAGEMENT SUCCESSION AND REVIEW

The Board plans for succession to the position of Chief Executive Officer and monitor management's succession planning for other executive officer positions. The Governance Committee is responsible for reviewing and making recommendations to the Board about such succession plans.

At least annually, the Board, in conjunction with the Governance Committee, shall review the succession plans. The Board shall consider the Chief Executive Officer's recommendation as to his or her successor.

VIII. STOCKHOLDER ACCESS TO NON-MANAGEMENT DIRECTORS

The Governance Committee has created a process by which stockholders may communicate directly with non-management directors. Any stockholder wishing to contact non-management directors may do so in writing by sending a letter to:

[Name of Director]
c/o Secretary
Bradley Pharmaceuticals, Inc.
383 Route 46 West
Fairfield, New Jersey 07004

IX. PERIODIC REVIEW

The Governance Committee is responsible for overseeing the annual evaluation of the performance of the Board for the purpose of increasing the effectiveness of the Board. The Governance Committee shall report its conclusions to the Board. This evaluation should be of the Board's contribution as a whole, and specifically review areas in which the Board and/or management believe improvement may be desirable.

The Governance Committee is also responsible for annually reviewing these principles, as well as considering other corporate governance principles that may, from time to time, merit consideration by the Board. The Governance Committee shall report its conclusions to the Board.