

<b>Valeant Pharmaceuticals International, Inc.</b>	POLICY NO. H.R. – Sec. 9 – 914	EFFECTIVE DATE August 17, 2016	PAGE NO. 1 of 9
	ISSUED BY: Compliance and Legal Department APPROVED BY: Board of Directors		SUPERCEDES: Policy No. 914
SUBJECT: <b>BUSINESS ETHICS REPORTING POLICY</b>			DATE: March 25, 2003 REVISED: May 10, 2006 REVISED: December 17, 2009 REVISED December 10, 2010 REVISED November 15, 2012 REVISED November 1, 2013 REVISED August 17, 2016

**1. OBJECTIVE AND SCOPE**

1.1 Valeant Pharmaceuticals International, Inc. (“**Valeant**”) and its subsidiaries, divisions and affiliates (collectively, the “**Company**”) is committed to maintaining a workplace in which the Company can receive, retain, and address all complaints received by the Company regarding violations or perceived violations of Company policies including its Standards of Business Conduct (the “**Standards**”), and all applicable laws and regulations.

1.2 Valeant’s Board of Directors (the “**Board**”) previously adopted this Business Ethics Reporting Policy (this “**Policy**”) and, at the recommendation of the **Audit and Risk Committee** and the Conduct and Compliance Committee (the “**Compliance Committee**,” and together with the Audit and Risk Committee, the “**Committees**”), has amended this Policy as set forth herein. The Audit and Risk Committee shall assist the Board in monitoring and overseeing compliance over financial matters, including, without limitation, financial reporting, accounting, internal accounting controls and auditing matters (“**Financial Matters**”). The Compliance Committee shall assist the Board in monitoring and overseeing compliance matters other than Financial Matters, including, without limitation, the Company’s overall compliance programs, policies and procedures, or significant legal or regulatory compliance exposure (“**Non-Financial Matters**”). The “**Applicable Committee**” refers to the Audit and Risk Committee with respect to Financial Matters and the Compliance Committee with respect to Non-Financial Matters. This Policy provides a procedure for reporting, and encourages directors, officers, employees and contractors of the Company to report instances of misconduct without fear of discrimination, harassment or retaliation.

1.3 This Policy provides for:

- (a) the receipt, retention and treatment of complaints received by the Company regarding:

- (i) the Company's accounting practices, internal accounting controls or auditing matters, including: any conduct which may reasonably be believed to be a violation of U.S. or Canadian securities laws; U.S. federal laws regarding mail fraud, wire, radio or television fraud, or bank fraud; the rules or regulations of the United States Securities and Exchange Commission (the "SEC"), the Canadian securities regulatory authorities; any provision of U.S. law relating to fraud against shareholders; conduct which may reasonably be believed to be a violation of the *U.S. Foreign Corrupt Practices Act*, the *Canadian Corruption of Foreign Public Officials Act* or other local anti-corruption laws; or the commission or possible commission of a criminal offence;
- (ii) violations or potential violations of Canadian, U.S. or other local healthcare laws, rules or regulations, including the following:
  - failure to promote or otherwise discuss Valeant's prescription products in a manner that is truthful, non-misleading, and balanced;
  - promotion of Valeant's prescription drug products in a manner that is inconsistent with the applicable approval for the products ("off-label" promotion);
  - failure to disclose in a timely manner meaningful results of controlled clinical trials of marketed products;
  - misuse or prohibited disclosure of protected patient health information;
  - false or improper reporting to government or other entities of pricing, reimbursement, or other information concerning Valeant products, or other fraud or deliberate error in Valeant interactions with government or private payors regarding reimbursement for Valeant products; and
  - offering or paying anything of value to a healthcare professional, government or public official, or other person or entity in a position to influence prescribing, in order to induce them to purchase, prescribe, use, recommend, provide favourable formulary status for, or dispense a Valeant product; and
- (iii) violations or potential violations of Company policies, including the Standards.

- (b) the confidential, anonymous submission by employees, officers, directors or contractors of concerns regarding the matters described above, subject to certain limitations of local law.

1.4 This Policy protects any employee, officer or director of the Company who legitimately and in good faith:

- (a) discloses a violation or alleged violation described in section 1.3 above;

- (b) files, causes to be filed, testifies, participates in, or otherwise assists in a proceeding filed under: U.S. federal or Canadian securities laws; U.S. federal laws regarding mail fraud, wire, radio or television fraud, or bank fraud; the rules or regulations of the SEC or the Canadian securities regulatory authorities; any provision of U.S. federal or state law pertaining to fraud against shareholders; the *U.S. Foreign Corrupt Practices Act*, the *Canadian Corruption of Foreign Public Officials Act* or any other local anti-corruption law; or U.S., Canadian or other foreign criminal laws applicable in countries where the Company operates;
- (c) provides a law enforcement officer with any truthful information relating to the commission or possible commission of any criminal offence.

[The Company's Employee IP Agreement contains additional information regarding the disclosure by employees of Company trade secrets to government officials, to legal counsel or in court filings.]

## **2. COMPLAINT PROCEDURES**

2.1 All complaints (whether from a Company employee, officer, director, contractor or otherwise) received by the Company regarding the matters set out in section 1.3 above (each, a "**Complaint**") shall be referred to the Chief Compliance Officer or the General Counsel. In the event that the Chief Compliance Officer or the General Counsel is the subject of such a Complaint, the Complaint shall be directed only to the other and, in the case of a Complaint regarding Financial Matters ("**Financial Complaint**"), to the Chairperson of the Audit and Risk Committee or, in the case of a Complaint regarding Non-Financial Matters ("**Non-Financial Complaint**"), to the Chairperson of the Compliance Committee.

2.2 The Chief Compliance Officer or the General Counsel shall:

- (a) promptly conduct such investigation of any Complaint as he or she considers appropriate in the circumstances;
- (b) retain any documentation received or created in connection with any Complaint and any investigation thereof in accordance with all applicable laws and any related Company records retention policy;
- (c) report all Complaints and the status of any internal investigations with respect thereto to the Applicable Committee and at a minimum, with respect to any Financial Complaints, at each meeting of the Audit and Risk Committee at which the Company's annual or interim financial statements are reviewed;
- (d) recommend to the Applicable Committee the action which he or she considers appropriate with respect to any Complaint;
- (e) in the event that any member of either Committee is the subject of a Complaint, report and make recommendations to those Committee members who are not subject to said Complaint; and
- (f) oversee the maintenance of a log of all Complaints, tracking the receipt, internal review and resolution of each such Complaint in accordance with record retention policies.

2.3

The Committees shall:

- (a) require the Chief Compliance Officer or the General Counsel to report:
  - (i) All Complaints received since the date of the last such report to the Audit and Risk Committee (at a minimum at each meeting of such Committee at which the Company's annual or interim financial statements are reviewed) indicating which Complaints are Financial Complaints;
  - (ii) All Complaints at the next meeting of the Compliance Committee following receipt of such Complaints indicating which Complaints are Non-Financial Complaints;
- (b) have access to all communications and documents received by the Chief Compliance Officer or the General Counsel in connection with any Complaint;
- (c) oversee the process contemplated by the Business Ethics Hotline (defined below);
- (d) **[To be discussed.]** ensure that the Chairperson of the Applicable Committee receives, direct, periodic summary reports listing all Complaints made through the Business Ethics Hotline;
- (e) consider recommendations made by the Chief Compliance Officer or the General Counsel, or both, with respect to any action to be taken with respect to a Complaint;
- (f) obtain advice from external legal counsel to the Company or from independent legal counsel, if appropriate in the discretion of either Committee, regarding any Complaint;
- (g) direct an additional investigation if either Committee deems it to be appropriate; and
- (h) report on and recommend to the Board of Directors the actions that should be taken with respect to any Complaint.

2.4 The Chief Compliance Officer or the General Counsel may take action with respect to Complaints which he or she considers to be immaterial without the prior approval of the Applicable Committee. Immaterial complaints are those that have no potential impact on the Company's financial statements or regulatory filings and do not involve any violation or perceived violation of any law. In turn, they shall report to the Committees at the next meeting of each Committee on all such action taken. Each Committee shall then report to the Board with respect to the matters under such Committee's oversight.

### **3. CONFIDENTIALITY AND ANONYMITY – THE BUSINESS ETHICS HOTLINE**

3.1 The Chief Compliance Officer and the General Counsel shall take such action as may be necessary and is legally permissible to provide employees, officers, directors and contractors of the Company with a confidential, anonymous means of submitting concerns to the Chief Compliance Officer and the General Counsel (the "**Business Ethics Hotline**") regarding:

- (a) questionable accounting or auditing matters at the Company, including but not limited to any matter related to the matters set out in section 1.3 above;
- (b) violations or possible violations of any laws, rules or regulations, including but not limited to U.S. or Canadian securities laws or healthcare laws in the countries where the Company operates; and
- (c) violations or possible violations of the Company's Standards and other policies.

3.2 The Business Ethics Hotline is presently administered through the Ethics Point incident reporting system, a third party that provides a confidential, anonymous means of submitting concerns, subject to certain limitations of and in accordance with local law. Company employees, officers, directors and contractors may contact the Ethics Point system 24 hours a day, 7 days a week at 1-888-451-4510 in the U.S. or Canada. The system can be accessed from international locations. Reports can also be submitted by logging on to [www.valeant.ethicspoint.com](http://www.valeant.ethicspoint.com).

3.3 The Chief Compliance Officer and/or the General Counsel shall advise the Audit and Risk Committee of any changes to the Business Ethics Hotline.

3.4 The Chief Compliance Officer and/or the General Counsel shall handle and investigate all Complaints received through the Business Ethics Hotline in a confidential manner and in accordance with section 2 above.

3.5 A copy of all reports made through the Business Ethics Hotline shall be forwarded directly to the Chairperson of each of the Committees in addition to the Chief Compliance Officer and the General Counsel.

3.6 The Chief Compliance Officer and/or the General Counsel shall report to the Committees at least annually on the effectiveness of the Business Ethics Hotline and any suggested or required improvements or enhancements thereto.

#### **4. FURTHER INFORMATION**

4.1 Further information regarding any Complaint may be required depending on the nature of the Complaint and the completeness and clarity of the information provided in respect thereof. Allegations made anonymously should contain sufficient detail and information so that, if necessary, a meaningful investigation can be conducted.

#### **5. ACCOUNTABILITY OF THE CHIEF COMPLIANCE OFFICER AND THE GENERAL COUNSEL**

5.1 With respect to matters dealt with pursuant to this Policy, the Chief Compliance Officer and the General Counsel shall report directly to the Chairperson of each Committee.

5.2 The Chief Compliance Officer and the General Counsel should not discuss any Complaint or any action recommended or taken with respect to any Complaint with any other officer or employee of the Company, except to the extent reasonably necessary to give effect to this Policy (including the investigation of any Complaint). Prior to any such discussions the Chief Compliance Officer or the General Counsel shall discuss the matter with the Chairperson of the applicable Committee.

5.3 The Chief Compliance Officer and the General Counsel shall maintain the confidentiality or anonymity of any person making a Complaint to the fullest extent reasonable and practicable within the legitimate needs of law and of any ensuing evaluation or investigation. Legal or business requirements may not allow for complete anonymity. In addition, persons making Complaints should be aware that their identity might become known for reasons outside the control of the Company. The identity of other persons subject to or participating in any inquiry or investigation relating to a Complaint shall also be maintained in confidence subject to the same limitation.

5.4 Complaints alleging fraud, intentional misrepresentation, malfeasance or significant loss exposure shall be reported immediately to the Applicable Committee.

5.5 The Chief Compliance Officer and/or the General Counsel shall report to the applicable Committee on any failure of any employee, officer, director or contractor of the Company to cooperate in the effective implementation or application of this Policy.

## **6. NON-RETALIATION**

6.1 The Company prohibits discrimination, harassment or retaliation against any employee, officer, director or contractor who, in good faith, provides information or otherwise assists in an investigation or proceeding regarding any conduct within the scope of this Policy (set out in section 1.2 above).

6.2 Every employee, officer, director and contractor of the Company is responsible for ensuring that the workplace is free from all forms of discrimination, harassment and retaliation prohibited by this Policy. An employee, officer, director or contractor of the Company who retaliates against a person who has reported a violation in good faith is subject to discipline up to and including termination of that person's employment, position in or relationship with the Company.

6.3 An employee, officer, director or contractor of the Company who legitimately, and in good faith, engages in any of the activities set out in section 1.3 above, shall not, as a result of those activities, be discharged, demoted, suspended, threatened or harassed or otherwise discriminated or retaliated against in the terms or conditions of employment or directorship with the Company. Such employee of the Company shall not be subject to any retaliatory measure that adversely affects his or her employment, including, without limitation: ending or threatening to end the employee's employment; demoting, disciplining or suspending, or threatening to demote, discipline or suspend an employee; imposing or threatening to impose a penalty related to the employment of the employee; or intimidating or coercing an employee in relation to his or her employment.

6.4 However, since such allegations of impropriety may result in serious personal repercussions for the target person or entity, the employee, officer, director or contractor making the allegation of impropriety should have reasonable grounds before reporting a Complaint and should undertake such reporting in good faith, in the best interests of the Company, and not for personal gain or motivation.

6.5 Any employee, officer, director or contractor of the Company who legitimately, and in good faith, believes that he or she has been the subject of discrimination, harassment and/or retaliation for engaging in any of the activities set out in section 1.3 above, or is aware of any conduct which may be prohibited by this Policy, should immediately report such acts to his or her supervisor and to the

Chief Compliance Officer or the General Counsel. Alternatively, they may report through the Business Ethics Hotline.

**7. RECEIVING AND INVESTIGATING REPORTS**

7.1 Upon receiving a Complaint, the Chief Compliance Officer and/or the General Counsel shall promptly conduct a thorough investigation, as indicated in section 2 above and in accordance with local law. It is the obligation of all employees, officers, directors and contractors of the Company to cooperate in any such investigation. Individuals responsible for any such investigation shall maintain confidential the allegations of the Complaint and the identity of all persons involved (including the Complainant), subject to the requirement of a full and impartial investigation, or in order to remedy any violations of the Company's policies, or monitor compliance with or administer the Company's policies.

7.2 The investigation of a Complaint shall include without limitation, discussions with the Complainant (unless the Complaint was submitted on an anonymous basis), the party against whom allegations have been made, and witnesses, if appropriate.

7.3 In the event that an investigation establishes that an employee, officer, director or contractor of the Company has engaged in conduct or actions constituting discrimination, harassment and/or retaliation in violation of this Policy, the Company shall take corrective action as it deems appropriate up to and including termination of that person's employment, position in or relationship with the Company.

7.4 In the event that an investigation reveals that a Complaint was frivolously made or undertaken for improper motives or made in bad faith or without a reasonable basis, as determined by the applicable Committee, appropriate disciplinary action may be taken.

**8. QUESTIONS**

8.1 Questions about this Policy should be directed to the Company's Chief Compliance Officer, or the Company's General Counsel.

Dated: August 17, 2016

## APPENDIX I – THE ETHICS HOTLINE GLOBAL CONTACT INFORMATION

### Introduction

The Ethics Line is one of many resources available to any employee who wants to raise a concern or report misconduct in the workplace. It consists of toll-free telephone lines and a web-based communication tool provided by an independent third party. These services are available 24 hours a day, 7 days a week to employees worldwide, subject to certain limitations of local law.

Calls are always free of charge and can be taken in over 100 languages. Translation service is also free of charge and available 24 hours a day, 7 days a week. **There are different ways to call the Ethics Line, depending on the country from which you are calling. While all calls are toll-free, your phone line must be capable of making an international call. To use the web-based system, you must have an active Internet connection.**

### Accessing the web-based system

Reports made online are managed through a secure, third-party website that is specifically designed to protect confidentiality and/or anonymity. Online reports are handled in the same manner as reports made over the telephone.

To raise a concern or file a report online, visit the following website: <http://www.valeant.ethicspoint.com/>

**United States:** Dial 1-888-451-4510

### Countries with International Toll Free Numbers

1. Dial the International Toll Free Number for your country, found below.
2. You will then be greeted either by a live operator or a pre-recorded message and be placed on hold while an interpreter is obtained to assist with the call.
3. If you are connected to a live operator, they will likely be English-speaking, but will know where your call is coming from and have already begun the process of obtaining an interpreter to assist with the call.

Country	International Toll Free Number
<u>Argentina</u>	0-800-555-0906
<u>Australia</u>	1-800-339276
<u>Austria</u>	0800-291870
<u>Belgium</u>	0800-77004
<u>Brazil</u>	0800-8911667
<u>Bulgaria</u>	503-726-2427
<u>Canada (English)</u>	1-888-451-4510
<u>Canada (French)</u>	1-855-350-9393
<u>China (North)</u>	10-800-712-1239
<u>China (South)</u>	10-800-120-1239
<u>Czech Republic</u>	800-142-550
<u>Denmark</u>	80-882809
<u>Finland</u>	0800-1-14945

<u>Germany</u>	0800-1016582
<u>Greece</u>	00800-12-6576
<u>Hong Kong</u>	800-964214
<u>Hungary</u>	06-800-17199
<u>India</u>	000-800-100-1071
<u>Ireland</u>	1-800615403
<u>Italy</u>	800-786907
<u>Japan</u>	00531-121520
<u>Korea</u>	00798-14-800-6599
<u>Malaysia</u>	1-800-80-8641
<u>Mexico</u>	001-8008407907
<u>Netherlands</u>	0800-0226174
<u>New Zealand</u>	0800-447737
<u>Norway</u>	800-15654
<u>Poland</u>	0-0-800-1211571
<u>Portugal</u>	8008-12499
<u>Russia</u>	8-10-8002-6053011
<u>Singapore</u>	800-1204201
<u>South Africa</u>	080-09-92604
<u>Spain</u>	900-991498
<u>Sweden</u>	020-79-8729
<u>Switzerland</u>	0800-562907
<u>Taiwan</u>	00801-13-7956
<u>Thailand</u>	001-800-12-0665204
<u>Turkey</u>	503-726-2427
<u>United Kingdom</u>	08-000328483

**Countries with AT&T Direct Dial Access Numbers:**

<b>Country</b>	<b>AT&amp;T Direct Dial Access Number</b>
<u>Dubai</u>	8000-021, then enter 888-451-4510
<u>Ukraine</u>	0^00-00, then enter 888-451-4510