

VALEANT PHARMACEUTICALS INTERNATIONAL, INC.
CORPORATE GOVERNANCE GUIDELINES

August 19, 2015

1. BOARD RESPONSIBILITIES

The Board of Directors (the “**Board**”) is responsible for supervising the management of Valeant’s business and affairs which includes responsibility for stewardship of Valeant Pharmaceuticals International, Inc. (“**Valeant**”). The Board discharges its responsibilities pursuant to the Charter of the Board of Directors, which is posted on the Valeant website.

2. SHAREHOLDER VOTING FOR DIRECTORS

2.1 Voting for Individual Directors

At each annual meeting of the shareholders, Valeant submits to its shareholders the name of each candidate being recommended by the Board for election by the shareholders. In an election of Directors, shareholders are asked to vote (or withhold from voting) on each individual Director (rather than on a slate of Directors).

2.2 Majority Voting in Director Elections

In an uncontested election of Directors, any nominee for Director who receives a greater number of votes “withheld” from his or her election than votes “for” such election (a “Majority Withheld Vote”) shall promptly tender his or her written resignation to the Board following the meeting at which the Director is elected, which resignation must state that it will become effective upon acceptance by the Board. An “uncontested election” shall mean an election where the number of nominees for Director shall be equal to the number of Directors to be elected as determined by the Board.

The Nominating and Corporate Governance Committee of the Board (the “**NCG Committee**”) shall consider the written resignation offer and shall recommend to the Board whether or not to accept it. The NCG Committee shall be expected to accept the resignation except in situations where extenuating circumstances would warrant the applicable Director to continue to serve on the Board. In considering whether or not to accept the resignation, the NCG Committee will consider all factors deemed relevant by members of the Committee including, without limitation, the stated reasons why shareholders “withheld” votes from the election of that nominee, the length of service and the qualifications of the Director whose resignation has been tendered, such Director’s contributions to Valeant and Valeant’s corporate governance policies, alternatives to cure the underlying cause of the withheld votes, the overall composition of the Board (including the current mix of skills and attributes of the Board), whether the resignation of the Director could result in the triggering of change in control or similar provisions under any contract by which Valeant is bound or any benefit plan of Valeant and, if so, the potential impact

of triggering such provisions and whether accepting the resignation would cause Valeant to fail to meet any applicable listing or regulatory requirements.

The Board shall consider the NCG Committee's recommendation within 90 days following the applicable election of Directors. In considering the NCG Committee's recommendation, the Board will consider the factors considered by the NCG Committee and such additional information and factors that the Board considers to be relevant. Following the Board's decision on the resignation, the Board shall promptly disclose, via press release, its decision whether to accept the Director's resignation offer. If a resignation is accepted, the Board may, in accordance with the provisions of the British Columbia *Business Corporations Act*, appoint a new Director to fill any vacancy created by resignation or reduce the size of the Board. The Board may also decide to call a special meeting of shareholders at which there will be presented a new candidate to fill the vacant position(s).

Any Director who tenders his or her written resignation pursuant to this policy shall not participate in the meeting of the NCG Committee, if he or she is a member of the NCG Committee, to consider the decision to recommend to the Board whether his or her resignation shall be accepted. However, if each member of the NCG Committee, or a sufficient number of NCG Committee members, receives a Majority Withheld Vote in the same election such that the NCG Committee no longer has a quorum, then the independent Directors of the Board shall appoint a committee amongst themselves to consider the resignation offers and recommend to the Board whether to accept them.

The NCG Committee may adopt such procedures as it sees fit to assist it in its determinations with respect to the policy set out under this section.

3. DIRECTORS STANDARDS

3.1 Independence

The Board shall include Directors who satisfy the applicable tests of independence, such that the Board complies with all independence requirements under applicable corporate and securities laws and Stock Exchange requirements applicable to Valeant. "Stock Exchange" shall mean, at any time, those stock exchanges on which any securities of Valeant are listed for trading.

Each year, the NCG Committee, as well as the Board, shall review the relationships that each Director has with Valeant in order to satisfy themselves that these independence criteria have been met. The Board shall disclose in Valeant's annual management proxy circular and proxy statement the identity of the independent Directors.

3.2 Qualifications

The Board seeks to recommend to Valeant shareholders, for election to the Board, individuals who possess the following competencies and characteristics:

- proven track record of sound business judgment and good business decisions;

- demonstrated integrity and high ethical standards, including an understanding of fiduciary duties;
- financial literacy;
- appropriate knowledge of business and industry issues;
- specific knowledge and experience to support the development and/or implementation of business strategies;
- engaged and prepared;
- strategic and forward looking;
- focused on value creation;
- ability to surface and resolve issues;
- flexibility and adaptability;
- capacity to balance speed and thoughtfulness;
- listening, communication and advocacy skills;
- ability to provide honest and direct feedback;
- willingness to dissent;
- ability to contribute to the Board's diversity, effectiveness and performance; and
- availability for Board and Committee work.

When a Director's principal occupation or business affiliation changes, or other circumstances arise which may raise questions about the Director's continuing qualifications in relation to the qualifications set forth above, then the Director shall tender his or her written resignation, which resignation must state that it shall be effective upon acceptance by the Board, or the NCG Committee shall ask for such tender. The NCG Committee shall consider the tendered resignation and recommend to the Board the action to be taken.

3.3 Membership on Other Boards

Directors are expected to commit the time and attention to Valeant's business and affairs necessary to discharge their duties as Directors effectively. Independent Directors must advise the Chairperson of the NCG Committee before accepting an invitation to serve on another board of directors, so as to enable Valeant to determine whether (i) any regulatory issues or potential conflicts are raised by the Director accepting such an invitation and (ii) the Director will have the time required for preparation, participation and attendance at meetings of the Board. Absent having satisfied the NCG Committee that to do so will not jeopardize a Director's required commitment to Valeant, independent Directors generally should not serve on more than five

other boards of public companies in addition to the Board and no more than one public company interlock should be permitted on the Board, where “interlock” means having two Directors of a company sit on the board of directors of another company.

3.4 Terms in Office and Retirement

Directors shall be elected at the annual meeting of shareholders, to serve until the next annual meeting of shareholders or until their successors are elected or appointed. There is no limit on the number of terms a Director may serve.

4. **FUNCTIONING OF THE BOARD**

4.1 Size

Valeant’s articles allow for a minimum of three and a maximum of twenty Directors. The Board has the authority to set the size of the Board from time to time within such range, provided that the number of any additional directors appointed between annual general meetings of shareholders may not at any time exceed one-third of the number of Directors elected at the last annual general meeting of shareholders. The size of the Board shall be such that it allows for a balance of skills and experience necessary for the Board to discharge its oversight responsibility effectively.

4.2 Chairman

The Board shall appoint the Chairman of the Board (“Chairman”) annually at the first meeting of the Board after a meeting of the shareholders at which Directors are elected or at any other time as determined by the Board. If the Board does not so appoint a Chairman, the Director who is then serving as Chairman shall continue as Chairman until his or her successor is appointed.

4.3 Lead Independent Director

The Chairman is not required to be an independent Director. If the Chairman is not independent, then the independent Directors shall select from among their number a Director who will act as “Lead Independent Director.” The Chairman, if independent, or the Lead Independent Director if the Chairman is not independent, shall perform the responsibilities of the Lead Independent Director as set forth in the Company’s Position Description for the Lead Independent Director.

4.4 Board Meetings

The Board shall meet on a regular basis and no less than four times a year.

Before each meeting, the Chairman or his designee will review proposed agenda items that fall within the scope of responsibilities of a Board Committee with the Chairperson of that Committee and distribute the agenda in advance to the Board. Any Director may ask to include items on the agenda.

Board members shall receive materials related to agenda items in advance of Board meetings so that the Directors may prepare to discuss the items at the meeting. Sensitive subjects may be discussed at the meeting without distributing written materials in advance or at the meeting.

Directors must exercise their business judgment to act in the best interests of Valeant. In discharging this obligation, Directors reasonably may rely on Valeant's senior executives and its advisors and auditors. Directors are expected to attend and participate in substantially all meetings of the Board and of Committees on which they serve, to spend the time needed to prepare for meetings and to meet as frequently as necessary to discharge their responsibilities.

4.5 Executive Sessions

The Board normally meets in executive session at every regularly scheduled meeting of the Board. At any meeting of the Board, at the request of any Director, the Board shall meet in executive session and an opportunity shall be provided during the meeting for any member of the Board to make such a request. "Executive session" shall mean a session at which the independent Directors meet without the attendance of any Directors who are not independent, or any officers or employees of Valeant, legal counsel, advisors or other non-members of the Board. Executive sessions of the Board shall be chaired by the Chairman, or if the Chairman is not independent, by the Lead Independent Director.

4.6 Committees of the Board

The Board maintains an Audit and Risk Committee, an NCG Committee, and a Talent and Compensation Committee, each having a charter and composition that is consistent with the requirements of relevant securities regulatory authorities and Stock Exchanges, where applicable. The NCG Committee and the Board review the charter, position description of the Chairperson and composition of each Committee of the Board on an annual basis.

The Chairperson of each Committee shall approve the agenda for each Committee meeting and shall determine the frequency of meetings. Materials related to agenda items shall be given to the Committee members sufficiently in advance to allow the members to prepare for discussing the items at the meeting. The Committee Chairpersons shall report a summary of their meeting to the Board following each regular Committee meeting.

The Board may, from time to time, designate ad hoc committees to assist in the discharge of its responsibilities.

4.7 Information Needs

Directors are expected to commit the necessary time and attention to be able to make informed decisions on issues that come before the Board. Management shall use its best efforts to provide Directors with all of the materials necessary to prepare for meetings sufficiently in advance of those meetings.

Directors are expected to be generally knowledgeable of Valeant's products and operations and the industry within which it operates. Management shall provide them with

information to stay informed and keep abreast of the business affairs and developments of Valeant. Directors are also expected to maintain an understanding of the regulatory, legislative, business, social and political environments within which Valeant operates.

5. BOARD'S RELATIONSHIP WITH MANAGEMENT

5.1 Chief Executive Officer

Each year, the Talent and Compensation Committee reviews and approves corporate goals and objectives relevant to CEO compensation and shall evaluate the CEO's performance in light of those goals and objectives.

The Talent and Compensation Committee reviews succession planning for the CEO and establishes policies and principles for CEO selection.

The CEO is expected to hold an amount of common shares of Valeant representing two times the combined amount of the CEO's base salary and target annual cash bonus.

5.2 Directors' Access to Executives

Directors may deal directly with members of Valeant's management team as they consider appropriate. Each Director shall use his or her judgment to ensure that his or her dealings with members of the management team are not unduly disruptive to the day-to-day operation of Valeant's business and shall, to the extent appropriate, coordinate such dealings through Valeant's Chairman or Corporate Secretary.

Direct reports to the CEO (and other members of management as appropriate), shall make presentations to the Board as appropriate and shall attend Board dinners and retreats as appropriate to enable Directors to become acquainted with Valeant's management team.

In addition to attending meetings and keeping abreast of developments of significance to Valeant, each Director shall be available as a resource to management.

6. DIRECTOR COMPENSATION

The NCG Committee shall review Director compensation periodically and, when such Committee determines that it is appropriate to recommend any changes thereto, it shall make recommendations to the Board.

Each of Valeant's non-management Directors is expected to hold or control Valeant common shares, vested restricted or deferred share units or a combination thereof having a market value at least equal to \$2 million by not later than the fifth anniversary of his or her election or appointment to the Board or, for individuals who are Valeant Directors on May 30, 2012, by not later than May 30, 2017.

Directors who are members of Valeant's management team shall not receive additional compensation for their service as Directors.

7. DIRECTOR ORIENTATION AND CONTINUING EDUCATION

New Directors are oriented to the business and affairs of Valeant through discussions with Valeant's management and other Directors and by periodic presentations from senior management on major business, industry and competitive issues.

Management and outside advisors provide information and education sessions to the Board and its Committees as necessary to keep the Directors up-to-date with Valeant, its business and the environment in which it operates as well as with developments in the responsibilities of Directors.

Directors may attend outside conferences and seminars that are relevant to their role at Valeant's expense, with the approval of the Chairman.

8. ANNUAL PERFORMANCE EVALUATION OF THE BOARD

The NCG Committee of the Board has responsibility for developing and recommending to the Board a process for assessing the performance and effectiveness of the Board as a whole, the Committees of the Board, the individual Directors, the Chairman of the Board, the Lead Independent Director, if any, and the Chairperson of each Committee of the Board. The NCG Committee is responsible for overseeing the execution of the assessment process approved by the Board.