

Valeant Pharmaceuticals International, Inc.	POLICY NO. H.R. Sec. 9-911	EFFECTIVE DATE August 17, 2016	PAGE NO 1 of 6
	ISSUED BY: Legal Department		PREPARED BY: General Counsel
SUBJECT: Insider Trading and Reporting			APPROVED BY: Board of Directors

INSIDER TRADING POLICY

A. PURPOSE

The purpose of this Insider Trading Policy (the “**Policy**”) is to explain certain legal concepts and to implement certain rules with respect to trading and the reporting of trading in the Securities (as defined below) by certain persons who are either employed by Valeant Pharmaceuticals International, Inc. or any of its subsidiaries (collectively, “**Valeant**” or the “**Company**”) or in a particular relationship with the Company.

The procedures and restrictions set forth in this Policy present only a general framework within which individuals may purchase and sell securities without violation of applicable securities laws. Each individual has the ultimate responsibility for complying with applicable securities laws and should obtain additional guidance, including independent legal advice, as may be appropriate for his or her own circumstances. Individuals may be subject to requirements in addition to those set out in this Policy under the laws of the jurisdiction in which they reside.

The Company’s General Counsel shall be responsible for administering and monitoring compliance with this Policy and shall report at least quarterly to the Nominating and Corporate Governance Committee with respect to trading compliance matters.

This Policy will be reviewed annually by the Company’s Nominating and Corporate Governance Committee and any amendments to this Policy shall be subject to approval by such Committee.

Any breach of the Policy is a serious offence which may lead to discipline by the Company and/or appropriate regulatory authorities, including possible fines and imprisonment.

B. SCOPE

The restrictions set forth in this Policy apply to all Company officers, directors and employees, wherever located, their spouses, minor children, adult family members sharing the same household and any other person over whom the officer, director or employee exercises substantial control over his, her or its securities trading decisions. This Policy also applies to any trust or other estate in which an officer, director or employee has a substantial beneficial interest or as to which he or she serves as trustee or in a similar fiduciary capacity. The Company may also determine that other persons should be subject to this Policy, such as contractors or consultants. Where indicated, however, certain rules set forth herein apply solely to a particular class (or classes) of persons.

This Policy applies to any and all transactions by such persons or entities in the Company’s Securities (including its common shares and options to purchase common shares, warrants, units

and any other type of securities that the Company may issue in the future). Any references herein to “trades” or “trading” (and similar terms) include any transaction in the Securities.

C. DEFINITIONS

1. Material Non-Public Information

“**Material Information**” is any information which would reasonably be expected to have a significant effect, either favourably or unfavourably, on the market price or value of the Securities. Information is also material if a reasonable investor would consider it to be important in deciding whether to buy, sell or hold Securities.

Examples of Material Information may include, without limitation:

- (a) information about a significant transaction such as:
 - (i) the purchase, sale or licensing of a significant product or other significant assets;
 - (ii) a new financing or borrowing involving an amount significant to the Company; or
 - (iii) the issuance or sale of additional Securities at a significant aggregate value, or other significant changes in the capital or corporate structure of the Company;
- (b) financial information such as:
 - (i) the results from the previous financial period which have not been publicly released; or
 - (ii) material changes in, or the prospect of material changes in, earnings and financial results; and
- (c) information about a significant event, such as:
 - (i) the release or approval of a significant new product, the development of significant new products or significant developments affecting the Company’s resources, technology, intellectual property, products or markets;
 - (ii) the results (both favourable and unfavourable) of significant clinical trials or studies including owned or licensed products;
 - (iii) important changes in management; or
 - (iv) developments with respect to important litigation, regulatory proceedings or investigations.

“Material Non-Public Information” means any Material Information which has not been generally disclosed to the public. An assessment of whether Material Information has been generally disclosed to the public must be made with caution. It should be assumed that Material Information has not been generally disclosed to the public unless it has been disclosed in a sufficiently wide circulation and manner so as to reach the public and the public has had a sufficient opportunity to become aware of the information.

2. Securities

“Securities” is broadly defined and includes Valeant’s common shares, puts, calls, options, warrants, units, derivatives (or any security convertible into, or the market price of which varies with the market price of, Valeant’s securities) and other rights or obligations to purchase or sell Valeant’s securities.

D. INSIDER TRADING AND TIPPING

It is generally illegal and a violation of this Policy for any person covered by this Policy to purchase, sell or otherwise trade Securities with knowledge of Material Non-Public Information.

Persons covered by this Policy must not inform others of Material Non-Public Information unless a member of the Executive Management Team has been consulted and agrees that such disclosure is necessary in the course of the Company’s business and there is a reasonable expectation that confidentiality of the Material Non-Public Information will be maintained.

E. LIABILITY

Under Ontario securities laws every person or company covered by this Policy who purchases or sells Securities with the knowledge of Material Non-Public Information, or communicates knowledge of Material Non-Public Information to another person or company (other than in the necessary course of business) and every person or company who receives knowledge of Material Non-Public Information from a person or company covered by this Policy and thereafter purchases or sells Securities, is liable to imprisonment for a term of not more than five years less a day and to a minimum fine equal to the profit made or the loss avoided by the person or company by reason of the contravention and a maximum fine equal to the greater of: (a) \$5,000,000; and (b) the amount equal to triple the profit made or loss avoided by such contravention. U.S. securities laws impose severe penalties for trading on Material Non-Public Information and communicating knowledge of Material Non-Public Information to another person or company (other than in the necessary course of business) who thereafter purchases or sells Securities, which can include disgorgement of the unlawful profits, civil penalties of up to three times the profit gained or loss avoided, criminal fines of up to \$5,000,000 and/or jail terms of up to 20 years. Similar legislation imposes similar penalties in other jurisdictions.

F. SECURITIES OF OTHER COMPANIES

In the course of the Company’s business, persons covered by this Policy may obtain information about another publicly traded company that has not been generally disclosed. Securities laws generally prohibit such individuals from trading in securities of that other company while in possession of such information or communicating such information to another person. The

restrictions set out in this Policy in respect of insider trading and tipping apply to all persons covered by this Policy with respect to trading in the securities of another company while in possession of such information, and communicating such information.

G. ADDITIONAL REQUIREMENTS FOR “INSIDERS”

In addition to the insider trading prohibitions that apply to all persons covered by this Policy, there are additional, related requirements that apply to “Insiders”.

1. Who is an “Insider” of Valeant?

For purposes of this Policy, “Insiders” are:

- all directors and officers of Valeant who are required to file insider reports under Canadian securities laws (each such person, a “**Canadian Insider**”) and/or subject to Section 16 of the Securities Exchange Act of 1934, as amended, (each such person, a “**Section 16 Insider**”); and
- all other individuals designated by the Company’s General Counsel, in consultation with the Chief Executive Officer, in view of such individuals’ roles and responsibilities

Employees will be advised by the Company’s General Counsel if they are a Canadian Insider and/or Section 16 Insider.

2. Pre-Clearance of Trades

Prior to executing a trade, an Insider must acquire written approval of any proposed trade by the Insider or his or her spouse, minor children, adult family members sharing the same household, or any other person over whom the Insider exercises substantial control over his or her securities trading decisions (collectively, “Family Members”) from the Company’s General Counsel and Chief Financial Officer (or from the Chief Executive Officer, where the General Counsel or the Chief Financial Officer is seeking approval to trade). Approval of a proposed trade may be denied if corporate circumstances require. The General Counsel and/or Chief Financial Officer will consult internally as necessary, including with the Chief Executive Officer and external counsel.

The pre-approval process for Insiders and their Family Members is intended to address instances where important issues arise that may not be disseminated to an Insider at precisely the time that they arise. In such circumstances, the Company wishes to avoid the potential for an Insider or his or her Family Member to be trading in the Company’s Securities during a period when the Company is involved in either considering or attempting to resolve such issues. The Insider’s lack of specific knowledge of such issues does not preclude personal embarrassment and/or potential liability of the Insider and the Company.

3. Prohibition Against Short Sales and Derivative Transactions

Under U.S. securities law, Section 16 Insiders may not engage in short sales of Securities (the sale of Securities that the seller does not own or a sale that is completed by delivery of borrowed

Securities) or engage in the purchase or sale of derivative securities to achieve a comparable transaction. Under Canadian corporate law, directors, officers and employees of Valeant are generally prohibited from engaging in short sales of Securities and other transactions where the individual would benefit from a decline in the market price of the Securities. The Company, via this Policy, prohibits all employees from engaging in short sales of Securities or comparable transactions.

4. Insider Trading Reports

Under Canadian securities law, every Canadian Insider is required to file an insider report generally within the first 5 days immediately following any trade of Securities (including, without limitation, the purchase or sale of common shares of Valeant or the exercise of options of Valeant) or any trade in or any change in an interest in, right or obligation associated with a related financial instrument, such as deferred share units and restricted share units. This includes Securities of Valeant and related financial instruments which the Canadian Insider directly or indirectly acquires (i.e., including through a holding company) or over which the Canadian Insider exercises control or direction (i.e., shares acquired by a family trust that the Canadian Insider controls). Certain trades, such as the automatic purchase of Company shares under Valeant's Employee Stock Purchase Plan or the receipt of dividend equivalents in the form of additional deferred share units and restricted share units, may be reported less frequently.

Under U.S. securities law, every Section 16 Insider is required to file an insider report within two business days of a transaction resulting in a change in beneficial ownership of Securities of Valeant (including, without limitation, the purchase or sale of common shares of Valeant or the exercise of options of Valeant). This includes Securities of Valeant which the Section 16 Insider directly or indirectly acquires (i.e., including through a holding company) or over which the Section 16 Insider exercises control or direction (i.e., shares acquired by a family trust that the Section 16 Insider controls).

A Canadian Insider or Section 16 Insider who makes a trade must contact the Company's General Counsel or his or her designate and provide such person with the following information in writing on the day the trade is executed:

- (i) such Insider's full name, address and business telephone number;
- (ii) the number of Securities purchased or sold or the number of options such Insider exercised;
- (iii) the date of the trade or exercise;
- (iv) the price of the Securities bought and sold in each transaction or the exercise price of the options and the currency (if other than Canadian dollars);
- (v) if the Securities were indirectly acquired or are securities acquired over which such Insider has control or discretion, the name of the registered holder of such securities;

- (vi) if the Securities were acquired or disposed other than in the open market, the nature of the transaction; and
- (vii) the number of all Securities (including options) such Insider beneficially owns (i.e. if such Insider has the opportunity, directly or indirectly, to profit or share in any profit derived from a transaction in the Securities) after the trade.

Although insider reports based upon such information will be prepared and filed electronically on such Insider's behalf, the Insider remains responsible for the report and its content. In addition, Canadian Insiders and Section 16 Insiders must also include in their reports any monetization, non-recourse loan or similar arrangement, trade or transaction that changes their economic exposure to or interest in Securities and which may not necessarily involve a sale, whether or not required under applicable law.

Canadian Insiders and Section 16 Insiders are also required to promptly update the Company's General Counsel or his or her designate of any change of name, address, relationship with Valeant or other change in personal information so that their profile on the System for Electronic Data on Insiders (SEDI) and/or the Electronic Data Gathering, Analysis, and Retrieval system (EDGAR), as applicable, can be updated accordingly.

All directors, officers and employees of the Company and anyone else the Company determines should be subject to this Policy will be provided with a copy of this Policy, and shall execute the certification set out in Schedule A regarding acknowledgment of and compliance with the procedures and restrictions set forth in this Policy. Each of these persons is expected at all times to abide by the standards, requirements and procedures set out in this Policy. If it appears that a person subject to this Policy may have violated such securities laws, the Company may refer the matter to the appropriate regulatory authorities, which could lead to penalties, fines or imprisonment.

This Policy should be read in conjunction with the Company's Standards of Business Conduct, Corporate Disclosure Policy and Blackout Policy. Questions about this Policy should be directed to the Company's General Counsel.

SCHEDULE A

Certification – Insider Trading Policy of Valeant Pharmaceuticals International, Inc.

The undersigned hereby certifies that he/she has read and understands the Company’s Insider Trading Policy, a copy of which is attached hereto, and agrees to comply with the procedures and restrictions set forth therein.

Date: _____

Signature: _____

Name: _____
(please print)