

VALEANT PHARMACEUTICALS INTERNATIONAL, INC.

CHARTER OF THE AUDIT AND RISK COMMITTEE

1. PURPOSE

The Audit and Risk Committee (the “**Committee**”) of Valeant Pharmaceuticals International, Inc. (“**Valeant**”) is appointed by the board of directors of Valeant (the “**Board**”) to assist the Board in monitoring and overseeing:

- (a) the integrity of Valeant’s financial statements, including disclosure controls and procedures and internal controls over financial reporting,
- (b) the independent auditors’ qualifications and independence,
- (c) the performance of Valeant’s internal audit function and independent auditors,
- (d) Valeant’s compliance with code of conduct, legal and regulatory requirements,
- (e) the processes in place to identify, assess, monitor and control critical risks facing Valeant and its subsidiaries, including regulatory risks, and
- (f) the preparation of the Committee report that the Securities and Exchange Commission (the “SEC”) rules require to be included in Valeant’s annual proxy statement.

The Committee shall be directly responsible for the selection, nomination, retention, and termination of Valeant’s independent auditors engaged for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for Valeant, and in such regard shall recommend to the Board the independent auditors to be nominated for approval by the shareholders. The Committee shall be responsible for the compensation and oversight of the work of the independent auditors (including resolution of disagreements between management and the independent auditors regarding financial reporting). The independent auditors shall report directly to the Committee.

2. COMMITTEE MEMBERSHIP

2.1 Composition of Committee

The Committee shall consist of at least three members.

2.2 Qualification and Independence of Members

Each member of the Committee shall be independent for the purposes of all applicable regulatory and stock exchange requirements, including Section 10A(m)(3) of the

Securities Exchange Act of 1934, as amended (the “**Exchange Act**”) as in effect from time to time and in accordance with such additional criteria for independence as the Board may establish.

Members of the Committee shall meet all qualifications prescribed by the New York Stock Exchange and the U.S. Securities and Exchange Commission (the “**SEC**”) as in effect from time to time. Each member of the Committee must be financially literate, as such qualification is interpreted by the Board in its business judgment, or must become financially literate within a reasonable period of time after his or her appointment to the Committee. In addition, at least one member of the Committee must be designated by the Board to be the “**audit committee financial expert**,” as defined by applicable rules of the SEC. At least one member (who may also serve as the audit committee financial expert) shall, in the judgment of the Board, have accounting or related financial management expertise in accordance with New York Stock Exchange listing standards.

2.3 Restrictions on Committee Membership

No holder of 10% or more of Valeant’s capital stock (nor any general partner, controlling shareholder or officer of any such holder) may be a member of the Committee.

No member of the Committee may serve simultaneously on the audit committees of more than two other public companies, unless the Board determines that such simultaneous service would not impair such member of the Committee’s ability to serve effectively on the Committee and such determination is disclosed in Valeant’s annual management proxy circular or such other report in accordance with applicable regulatory requirements.

2.4 Appointment and Removal of Members of the Committee

The members of the Committee shall be appointed and replaced from time to time by the Board on the recommendation of the Nominating and Corporate Governance Committee (the “**NCG Committee**”).

Each member of the Committee shall serve at the pleasure of the Board until the member resigns, is removed, or ceases to be a member of the Board. The Board may fill vacancies on the Committee by appointment from among qualified members of the Board on the recommendation of the NCG Committee.

2.5 Committee Chairperson

The Chairperson of the Committee shall be appointed by the Board on the recommendation of the NCG Committee.

The designation of the Committee’s Chairperson shall take place annually at the first meeting of the Board after a meeting of Valeant’s shareholders at which Directors are elected, provided that if the designation of Chairperson is not so made, the Director who is then serving as Chairperson shall continue as Chairperson until his or her successor is appointed.

3. COMMITTEE RULES OF PROCEDURE

3.1 Committee Meetings

The Committee shall meet as frequently as necessary to carry out its duties and responsibilities under this Charter.

The Chairperson, any member of the Committee or the independent auditor of Valeant may call a special meeting of the Committee at any time. The Committee may ask any officer or employee of Valeant, or any representative of Valeant's advisors, to attend any meetings and to provide such pertinent information as the Committee may request or to meet with any members or representatives of the Committee.

A majority of the members of the Committee shall constitute a quorum to transact business. The affirmative vote of a majority of the members of the Committee present at the time of such vote shall be required to approve any action of the Committee.

Members of the Committee may participate in a meeting of the Committee by means of telephone conference call or similar communications equipment by means of which all persons participating in the meeting can hear each other. Subject to the requirements of any applicable law, regulation or rule, any action required or permitted to be taken at a meeting of the Committee may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the members of the Committee. Such written consent shall have the same force as a unanimous vote of the Committee.

Committee members may raise any subjects that are not set on the agenda by the Chairperson.

The independent auditor shall receive notice of each meeting of the Committee and shall be entitled to attend and be heard at any such meeting at Valeant's expense.

3.2 Separate Meeting Sessions

Periodically, the Committee shall meet separately with management, with the internal auditors, and with the independent auditors.

3.3 Executive Sessions

At any meeting of the Committee, an opportunity shall be provided for any member of the Committee to request that the Committee meet in executive session during such meeting. "**Executive session**" shall mean a session at which the members of the Committee meet without the attendance of officers or employees of Valeant, legal counsel, advisors or other non-members of the Committee.

3.4 Reporting

The Committee shall report regularly to the Board with respect to the Committee's activities. This report shall include a review of any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the independence and performance of the Company's independent auditor, the performance of the internal audit function and any other matters that the Committee deems appropriate or is requested to include by the Board. The Committee shall prepare the report that is required by the SEC to be prepared by the Committee for inclusion in Valeant's management proxy circular and proxy statement.

4. REMUNERATION OF COMMITTEE MEMBERS

Members of the Committee and the Chairperson of the Committee shall receive such remuneration for their service on the Committee as the Board may determine from time to time, on the recommendation of the NCG Committee.

5. COMMITTEE AUTHORITY

5.1 Retaining and Compensating Advisors

The Committee shall have appropriate resources and authority to discharge its responsibilities, including appropriate funding in such amount as the Committee deems necessary, to compensate any consultants and any independent advisors retained by the Committee. The Committee, under the direction of the Chairperson of the Committee, may also employ any outside experts, legal counsel or other personnel deemed by the Committee in its collective judgment to be reasonably necessary, and in the best interests of Valeant, to enable the Committee to ably perform its duties and satisfy its responsibilities. The Committee shall promptly notify the Chairperson of the Board or the Lead Independent Director, as and if appropriate, of the retention of any such advisors.

5.2 Investigative Powers

In carrying out its responsibilities, the Committee may conduct investigations relating to Valeant's records, accounts, reports, controls or activities as the Committee, in its discretion, deems desirable or as the Board may, from time to time, request; provided, however, that, if appropriate, the Committee shall consult and coordinate with the Conduct and Compliance Committee (the "**Compliance Committee**") with respect to any compliance matters other than Financial Matters, as defined in the Section 6.4(f) below ("**Non-Financial Matters**"), that the Committee is considering investigating.

5.3 Access

The Committee shall have free (and, if requested by the Committee, private) access to Valeant's independent auditors and its internal auditing, financial management and legal counsel staffs, and any other personnel requested by the Committee, in order for the Committee to perform its duties and satisfy its responsibilities.

The Committee may ask any officer or employee of Valeant, or any representative of Valeant's advisors, to attend any meetings and to provide such pertinent information as the Committee may request or to meet with any members or representatives of the Committee.

5.4 Subcommittees

In its sole discretion, the Committee may form and delegate authority to subcommittees if deemed appropriate by the Committee, subject to any restrictions imposed by any applicable regulatory or stock exchange requirements.

DUTIES AND RESPONSIBILITIES

The Committee is responsible for performing the duties set out below as well as any other duties that are otherwise required by law or are delegated to the Committee by the Board.

6. INDEPENDENT AUDITORS, FINANCIAL STATEMENTS AND INTERNAL CONTROLS

6.1 Independent Auditors

The Committee, in fulfilling its duties and discharging its responsibilities, shall:

- (a) be directly responsible for the selection, nomination, retention, termination and oversight of the work of Valeant's independent auditors engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for Valeant, and in such regard shall recommend to the Board the independent auditors to be nominated for approval by the shareholders. Each such accounting firm shall report directly to the Committee;
- (b) review the quality, independence, objectivity and professional skepticism of the independent auditors;
- (c) review the performance of the independent auditors, including assessing their effectiveness and quality of service, annually and, every five years, perform a comprehensive review of the performance of the independent auditors over multiple years to provide further insight on the audit firm, its independence and application of professional skepticism;
- (d) review and evaluate the lead partner, and ensure rotation of the lead and concurring audit partners every five years;
- (e) review and discuss with the independent auditors the scope and timing of their audit, including the coordination of procedures and locations to be visited by the independent auditors and internal auditors. In conducting this review, the Committee shall review with the independent auditors, internal auditors and Valeant financial management the risk assessments used in determining the audit scope;

- (f) except as otherwise permitted by applicable regulations, pre-approve all audit and permitted non-audit services (including the fees and terms thereof) by the independent auditors. Establish procedures to govern management's engagement of the independent auditors for any permitted non-audit services;
- (g) review with management and the independent auditors the actual annual fees and expenses for the audit and for any other permitted services performed by the independent auditors. The Committee shall be directly responsible for approving the fees and expenses to be paid to the independent auditors;
- (h) review the communications prepared by the independent auditors in respect of Valeant's audited financial statements and unaudited financial statements, respectively;
- (i) discuss with the independent auditors the matters included in the annual written communication that the independent auditors are required to submit to Valeant in accordance with Public Company Accounting Oversight Board (the "PCAOB") Rule 3526. Such discussions should include any relationships between the independent auditors and Valeant that may impact the objectivity and independence of the independent auditors. The Committee shall recommend that the Board take action, if appropriate, in response to the independent auditors' communication; and
- (j) at least annually, obtain and review a report by the independent auditors and consider, among other matters, the following:
 - (i) the competency and qualifications of the individuals involved in the audit;
 - (ii) the quality of the audit process;
 - (iii) responsiveness and service levels;
 - (iv) appropriate audit firm executive involvement in the audit;
 - (v) the firm's and the engagement team's independence with respect to all relationships between the independent auditor and Valeant and its management;
 - (vi) the independent auditors' internal quality control procedures; and
 - (vii) any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by government or professional authorities, within the preceding five years, with respect to one or more independent audits carried out by the independent auditors, and any steps taken to deal with any such issues.

6.2 Annual Financial Statements and Audit Results

After the completion of each annual audit the Committee shall:

- (a) review Valeant's accounting policies and practices and the annual financial statements to be included in Valeant's Annual Report on Form 10-K and the related Management's Discussion and Analysis of Results of Operations and Financial Condition with Valeant's financial management and the independent auditors. Recommend to the Board whether the audited financial statements should be included in Valeant's Form 10-K;
- (b) meet with the independent auditors to review their report on the results of their examination, including their opinion and any related comments. Discuss with the independent auditors the matters required to be discussed by the PCAOB's Auditing Standard No. 16 relating to the conduct of the audit;
- (c) review with management and the independent auditors the effect of regulatory and accounting initiatives, as well as off-balance sheet transactions and structures, on the Company's financial statements;
- (d) secure the independent auditors' views about the appropriateness, not just the acceptability, of Valeant's accounting policies and practices and the clarity of the disclosures in Valeant's financial statements, including any significant changes in Valeant's selection or application of accounting principles;
- (e) secure the independent auditors' views about whether management's choices of accounting policies are conservative, moderate or aggressive and as to whether alternative choices of policies would present a materially different financial position and results of operations. Resolve any disagreements between the independent accountants and management; and
- (f) review with the independent auditors any audit problems or difficulties and management's response. Determine that no restrictions were placed by management on the scope of their examination or its implementation and that there was a free exchange of information.

6.3 Quarterly Financial Statements and Press Releases

The Committee shall:

- (a) review with Valeant's financial management and independent auditors and approve the quarterly financial statements to be included in Valeant's quarterly reports on Form 10-Q and the related Management's Discussion and Analysis of Results of Operations and Financial Condition;
- (b) review and discuss with management the annual and quarterly earnings press releases, and financial information and earnings guidance provided to securities

analysts and ratings agencies. Recommend to the Board the annual earnings press release for disclosure; and

- (c) review quarterly communications from the independent auditors required by applicable laws, regulations, or accounting standards.

6.4 Internal Controls

The Committee shall:

- (a) review with the independent auditors, the internal auditors and Valeant's financial management the adequacy and effectiveness of Valeant's internal controls and elicit any recommendations they may have for improvement;
- (b) oversee the internal audit function;
- (c) discuss with the internal auditors and independent auditors the resources, staffing and budget of the internal audit function;
- (d) review quarterly internal audit reports, annually review the performance of the internal audit function with the Board, and review and approve the appointment and replacement of the head of the internal audit function;
- (e) review significant internal control deficiencies, disclosure policy deficiencies and management or employee fraud identified in connection with the CEO and CFO certifications provided to the SEC and with respect to Management's Report on Internal Control Over Financial Reporting, which is included in the Annual Report on Form 10-K;
- (f) establish procedures for the receipt, retention and treatment of complaints received by Valeant regarding financial matters, including, without limitation, financial reporting, accounting, internal accounting controls and auditing matters ("**Financial Matters**") and for the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters (the "**Business Ethics Reporting Policy**").
- (g) review and assess the adequacy of the Business Ethics Reporting Policy on an annual basis. The Committee shall oversee the administration and implementation of the Business Ethics Reporting Policy in accordance with its terms relating to Financial Matters, including all required liaison with Valeant's Chief Compliance Officer and General Counsel in accordance with such policy. The Committee shall, on a quarterly basis, certify to the CEO and the CFO that, other than as disclosed to the CEO and the CFO, there have been no matters reported to the Committee under the Business Ethics Reporting Policy that would impact the certifications to be provided by the CEO and the CFO under applicable securities laws or stock exchange requirements;

- (h) review reports of management concerning the integrity of Valeant’s management information systems and report to the Board regarding such review;
- (i) review with management the skills, competencies and adequacy of resources of Valeant’s finance organization.

7. RISK MANAGEMENT AND COMPLIANCE MATTERS

7.1 Risk Management Framework

The Committee shall assist the Board with an oversight of Valeant’s risk management, including:

- (a) discussing with management Valeant’s major risk exposures and the steps management has taken to monitor and control such exposures, including Valeant’s risk assessment and risk management policies;
- (b) taking into account the reports of Valeant’s management, the Chief Compliance Officer, and such other persons as the Committee may consider appropriate, the Committee shall review the policies, procedures and systems implemented by management to manage the material risks of Valeant’s business;
- (c) monitoring the appropriateness and effectiveness of Valeant’s risk management systems and policies, including evaluating on a regular basis the effectiveness and prudence of senior management in managing the operations of Valeant and the risks to which Valeant is exposed;
- (d) considering and providing advice to the Board, when appropriate, on the risk impact of any strategic decision that the Board may be contemplating;
- (e) directing analysis on other broad risk areas; and
- (f) regularly reviewing Valeant’s enterprise risk assessment results.

7.2 Valeant’s Standards of Business Conduct (the “Conduct Standards”)

Acknowledging that the Compliance Committee assists the Board in monitoring and overseeing compliance of Non-Financial Matters, the Committee shall:

- (a) review, approve and receive regular reports from management (including reports from Valeant’s Chief Compliance Officer) with respect to compliance with the Conduct Standards; and
- (b) investigate or cause to be investigated, when appropriate, any reports of non-compliance with or potential violations of the Conduct Standards that concern Financial Matters.

7.3 Compliance with Laws, Regulations and Guidelines

The Committee shall review the processes and procedures established by Valeant periodically to ensure that Valeant complies with applicable legal and regulatory requirements with respect to Financial Matters, as the Committee determines to be appropriate under the circumstances.

In carrying out these responsibilities, the Committee shall:

- (a) review regular reports with respect to Financial Matters from management (including, as appropriate, reports from the Chief Financial Officer, Chief Accounting Officer, Chief Compliance Officer and/or General Counsel) and the General Counsel on significant legal and regulatory requirements relating to Financial Matters to which Valeant is subject and the compliance program in place to ensure compliance with these requirements; and
- (b) discuss with management any correspondence with or any published reports of regulators or governmental agencies with respect to Financial Matters, which may have a material effect on the business of Valeant, or which raise material issues regarding the compliance policies of Valeant or adherence thereto.

7.4 CEO/CFO Expenses

Internal Audit will conduct periodic audits (at least every 24 months or less) on Executive Committee expense reports, including the CEO's and the CFO's expenses charged to Valeant, and report such audit results to the Committee, who will satisfy itself that such expenses are in accordance with Valeant's policies and practices.

8. RISK DISCLOSURES

The Committee shall:

- (a) review and approve any Committee reports for inclusion in Valeant's annual management proxy circular, Annual Report on Form 10-K (or its equivalent) or other disclosure document; and
- (b) review all disclosure under the heading "Risk Factors" in Valeant's periodic reports on Form 10-K or Form 10-Q.

9. CONFLICTS OF INTEREST AND HIRING POLICIES

9.1 Conflicts of Interest

The Committee shall conduct a review of transactions or proposed transactions in which an executive officer of Valeant or a senior financial officer of Valeant has an interest that conflicts with Valeant's interests and make recommendations to the Board regarding any such transaction (including all transactions required to be disclosed by Item 404(a) of Regulation S-K or otherwise required by law).

The Committee shall review and make recommendations to the Board on all matters involving a Board member's potential or actual conflict of interest as may be referred to the Committee by the Board. In addition, Directors may not use Valeant assets, labor or information for personal use unless approved by the Chairperson of the Committee or as a part of a compensation or expense reimbursement program available to all Directors.

Any member of the Committee who has a potential or actual conflict of interest in any matter must disclose that conflict to the Committee and abstain from any vote of the Committee pertaining to that matter, except where the Board or the Committee has expressly determined that it is appropriate for such Committee member to vote on such matter.

9.2 Hiring Policies

The Committee shall set clear hiring policies for employees or former employees of the independent auditors.

10. CHARTER REVIEW

The Committee shall review and assess the adequacy of this Charter annually and recommend to the NCG Committee any changes it deems appropriate, including to account for best practice guidelines recommended by, and to ensure compliance with any rules or regulations disseminated by, securities regulators and stock exchanges, to the extent appropriate for Valeant.

11. ANNUAL PERFORMANCE EVALUATION

On an annual basis, the Committee shall follow the process established by the NCG Committee and adopted by the Board for all committees of the Board for assessing the performance and effectiveness of the Committee, including a review of its compliance with this Charter.

12. WEBSITE POSTING

This Charter shall be included on Valeant's website and shall be made available in print upon request sent to Valeant's Corporate Secretary.

Dated this 2nd day of August, 2017.