

Compliance Program Introduction

Valeant Pharmaceuticals International has adopted this Corporate Compliance Program ("Program") to assist the Company and its personnel in maintaining compliance with the requirements of all applicable laws. The Program also reflects Valeant's intent to operate not only in a legal manner, but in accordance with sound business ethics. The Program applies to all Valeant's business operations and subsidiaries and to all employees, officers and directors of Valeant and its subsidiaries as well as to any third parties representing Valeant, including vendors and independent contractors.

The Program consists of various aspects including:

1. A Code of Business Conduct and Ethics (the "Code") setting forth general standards for the conduct of business and operations encompassing all employees, which includes a specific Code of Ethics for the Chief Executive Officer and senior financial executives;
2. Specific Corporate policies and other local and departmental policies and procedures,
3. An independent Helpline to report any known or potential violations of the Code on either an anonymous or non-anonymous basis; and
4. An education and training program to assist in ensuring that the Program is effective in preventing, detecting and taking appropriate action with respect to violations of applicable laws and the Code.

All Valeant and third party personnel must be aware of the contents of the Code and perform their responsibilities in a manner which is consistent with the Code and the overall Program. Because the principles described in the Code are general, Valeant personnel and third parties should also review the applicable policies and procedures. If they have any questions, they should contact their supervisor, other appropriate management, and/or the Company's Compliance Officer regarding proper conduct in a particular situation.

The Program will be overseen by the Corporate Compliance Officer who will report directly to the Finance and Audit Committee of the Board on compliance matters. The Compliance Officer will also communicate with the General Counsel regarding matters concerning potential non-compliance with the Code. The Compliance Officer will have overall responsibility for implementation and oversight of the Program with the compliance representatives in local offices to assist the Compliance Officer in executing his/her duties.

The Program is not intended to and shall not be deemed or construed to provide any rights, contractual or otherwise, to any third parties or to any personnel of Valeant or its subsidiaries, except as specifically set forth in the Program.

Compliance Procedures

Maintain Awareness of the Program Through Various Forums

- Employees, Directors, and third parties will periodically receive a copy of the Code and be requested to sign a form stating their awareness of and compliance with the Code.
- Each supervisor will discuss with all employees under his or her immediate supervision the Standards of Conduct set forth in the Company's Code and ensure that each employee is aware that strict compliance with such standards of conduct is a condition of employment.
- Persons or entities who regularly act as non-employee representatives of Valeant shall be informed of the requirements of the Code and directed to conduct themselves in a manner consistent with those requirements.
- Periodic training sessions in various formats will be provided with respect to the Code, its underlying principles, and other relevant, specific topics to ensure that the Code and applicable regulations and requirements are understood by its employees.
- Compliance with the Code and the Program will be considered as an integral part of all employees' performance reviews.

Reporting, Investigating, and Disciplinary Procedures

- The General Counsel and Corporate Compliance Officer will jointly oversee the investigation of any report of illegal acts or violation of the Code, utilizing appropriate Corporate Audit and Legal Department staff and shall involve outside legal counsel or Valeant's independent auditors when appropriate.
- All reports of illegal acts or violations of the Code will be promptly and thoroughly investigated, including interviews of employees and, if necessary, external parties and review of relevant documents or other materials. The investigation will be conducted in a manner which protects any applicable legal privileges in regard to the investigation.
- Following the completion of the investigation, a report will be prepared and delivered to the General Counsel and Corporate Compliance Officer. Based on the report and any other information they wish to consider, the General Counsel and Corporate Compliance Officer shall decide if further investigation is required. If so, they shall direct the additional investigation to occur.
- Once the investigation of a violation report is completed, the General Counsel, Corporate Compliance Officer and appropriate members of senior management will evaluate the results of the investigation and decide if any corrective, disciplinary or other action is warranted and shall direct and oversee implementation of any such action. They will also evaluate how and why the offense occurred and will identify steps to prevent similar violations in the future.
- The Corporate Compliance Officer will periodically inform the Finance and Audit Committee of the Board of Directors, regarding investigations and any actions taken as a result of investigations under the Corporate Compliance Program as well as with respect to the status of the Program.
- See additional information in the "Reporting, Investigating, and Disciplinary Procedures" section of the Code.

Ongoing Monitoring and Evaluation of the Program

- The Corporate Compliance Officer will regularly monitor and perform audits of the Program in conjunction with the Corporate Audit Department.
- The Corporate Compliance Officer, with the input of senior management and the Finance and Audit Committee of the Board of Directors, will review the effectiveness and content of the Program on a regular basis, including through a review of recent violations.
- Based on the above, the Compliance Officer will update the Code and other policies as appropriate.

Role and Responsibilities of the Compliance Representative

- Develop procedures to ensure that the local office meets the applicable requirements of the "Reporting, Investigating and Disciplinary Procedures" section of the Code.
- Receive and retain the "Compliance Acknowledgements" (page 22 of the Code) from employees.
- As requested periodically, provide copies and/or status on the receipt of the "Compliance Acknowledgement" forms to the Corporate Compliance Officer.
- Serve as liaison for investigations reported locally or through the Reporting Helpline that pertain to the local operations.
- Establish local training programs and other awareness mechanisms to ensure the Code and other Compliance Program elements are understood by employees in the local market, in addition to the Corporate-sponsored programs.
- Although the Code and training materials will be translated in Spanish and Polish, evaluate any additional required translations from English to the appropriate language for the Compliance Program materials.
- Ensure local policies and procedures are in place to address local laws and regulations at the local unit.
- Identify potential conflicts in local laws with the Code and communicate these to the Corporate Compliance Officer.

- Provide other relevant assistance and feedback to the Corporate Compliance Officer and other senior management with respect to the Compliance Program.