



# Sales and Marketing Policy

## **A. OVERVIEW**

This policy applies to U.S. Sales and Marketing activities and covers the Company's interactions with Healthcare Professionals (see definition in section B). Such interactions will be in compliance with all applicable laws and regulations, including in accordance with the Pharmaceutical Research and Manufacturers of America ("PhRMA") Code on Interactions with Healthcare Professionals and Office of Inspector General ("OIG") Guidelines in the United States. Further, research activities and Continuing Medical Education ("CME") must be directed by the medical Affairs, Research, and/or Development departments.

## **B. DEFINITION**

A "Healthcare Professional" shall mean a person licensed by state law to prescribe drugs for human patients, medical students, and members of drug formulary committees.

## **C. GIFTS AND PRACTICE RELATED ITEMS**

Gifts to Physicians and other Healthcare Professionals will be limited to educational items of nominal value (under \$100 each), will not be cash or cash equivalent (including a gift certificate), will not be anything of personal value to the recipient, and will be limited to a maximum of one gift per quarter. To avoid the appearance of impropriety, the Company has established an annual gift limit of \$400 per Healthcare Professional (excluding drug samples given in compliance with the Prescription Drug Marketing Act ("PDMA"), financial support for accredited continuing medical education and financial support given for legitimate and appropriate consulting and research activities).

## **D. MEALS**

In connection with informational presentations and discussions of scientific or education value, meals may be offered to Healthcare Professionals (but not their spouse or guest) provided they are:

- modest as judged by local standards;
- occur in a venue and manner conducive to informational communication and provide scientific or education value; and
- must be clearly subordinate to the presentation or discussion.

Meals must not exceed \$125 for any Healthcare Professional in a quarter, with a maximum of \$500 on an annual basis. Meals offered by field sales representatives or their managers should be limited to in-office or in-hospital settings. Senior business executives may provide occasional meals outside of the office, subject to the requirements above.

Entertainment of Healthcare Professionals is prohibited.

## **E. ENGAGING HEALTHCARE PROFESSIONALS AS CONSULTANTS**

In general, fair market payments may be made to a small number of Healthcare Professionals for *bona fide* consulting or advisory services. However, compensating “consultants” to attend meetings or conferences when they are expected to attend primarily in a passive capacity is prohibited.

All arrangements with Healthcare Professionals must be in writing and must be reviewed and approved by Valeant’s Corporate Legal Department. The documentation must be retained for a minimum of ten (10) years after expiration and must include:

1. Identification of Need – Prior to retaining any Healthcare Professional as a consultant (including members of advisory boards, speakers’ bureaus, etc.) a legitimate business need must be identified and documented.
2. Selection – Selection of consultants must be made without regard to prescribing habits or influence over healthcare community, but rather shall be based upon the expertise, availability, and ability of the selected consultant relevant to the identified need. The minimum number of consultants reasonably able to meet the legitimate business need must be retained and documented.
3. Use of Work Product – Legitimate use must be made of the work product generated by any consultant and be documented.
4. Venue – Speakers’ bureaus, advisory boards, meetings with key opinion leaders, etc. must be in a venue conducive to the performance of consulting services. Unless conducted in conjunction with a professional meeting at which the consultants will already be in attendance, the venue should not be in a resort. Appropriate documentation supporting the venue must be retained.
5. Payment – Only fair market value for services may be paid. This is determined not on the basis of the Healthcare Professional’s foregone revenue, but rather the value of the actual work product. The best way to determine fair market value is to determine what it would cost to have someone who is not a prescriber or potential prescriber of Valeant products to perform such services. Such approach to determine the fair market value must be documented. Before payment is released all required selection, venue, and fair market value criteria, as well as documentation that the services have been provided, must be confirmed and documented.
6. Honoraria – It is not appropriate to pay honoraria or reimburse expenses of non-consultant attendees.
7. Speakers’ Bureaus – Speakers’ bureaus are a legitimate way to disseminate on-label information about our products. Prior to selecting a panel of speakers, Valeant must have a well-defined, documented utilization strategy to ensure that only a reasonable number of speakers are retained. The number of speakers

trained (and paid in connection with such training) must be reasonably related to their planned utilization. Speakers are acting on our behalf and therefore, Valeant is responsible for what the speakers say. Accordingly, it is critical that the speakers be trained on what can be appropriately said about the Company's products. Speakers are consultants and are subject to all of the same considerations as other consultants and should be selected based upon their knowledge of the disease state treated by Valeant's product and their skills as a public speaker. Consideration for their selection should not include their ability to influence the prescription of our products, or the likelihood that they themselves will prescribe Valeant's products if asked to speak.

## **F. EDUCATION AND RESEARCH FUNDING**

When contracting with physicians to provide research or CME, appropriate considerations should be applied to using Healthcare Professionals as consultants. Contracts should be structured to fit within a safe harbor wherever possible.

1. **Research Activities** – Such activities should originate through the Research, Development and/or Medical Affairs departments to ensure that they are legitimately needed, not unnecessarily duplicative, not used as a pretext for marketing activities, or not used as a reward or inducement for the prescription or referral of the Company's products. (See the Company's Post-Marketing Research Policy).
2. **CME** – Periodically the Company may sponsor CME activities which also should originate through either the Research, Development and/or Medical Affairs departments. In connection with these sponsorships, the individuals involved shall ensure that Valeant in no way retains control over the selection of speakers, participants, topics presented, or content of presentations. Additionally, the Company must take steps to ensure that Valeant's sponsorship and any financial relationship with any speaker is prominently disclosed to the participants.

## **G. DISSEMINATION OF PRODUCT RELATED INFORMATION**

1. **Sales and Marketing** – Promotion of Valeant's products for unapproved uses creates patient health and safety, as well as regulatory, concerns. Sales and marketing personnel must refrain from promoting our products for "off-label" use.
2. **Medical Affairs** – To ensure the free flow of medically relevant scientific information, it is permissible for individuals in Valeant's Medical Affairs department (including Medical Science Liaisons ("MSLs")) in response to unsolicited requests, to provide unabridged peer-reviewed, published studies containing information on "off-label" use of our products. MSLs and other Medical Affairs personnel must not lead Healthcare Professions to "off-label" topics or otherwise solicit "off-label" inquiries.

## **H. PRESCRIPTION DRUG MARKETING ACT**

Valeant must comply with the PDMA, which among other things, prohibits the sale, trade, purchase or offer to sell trade or purchase drug samples, and requires procedures to account for prescription drug samples. Accordingly, the Company has adopted a PDMA Compliance Manual with specific policies and procedures in that regard. (See PDMA manual for further details.)

## **I. DEBARMENT**

Valeant will not employ or contract with individuals or entities excluded from participation in federal healthcare programs. As part of its background check, Human Resources shall confirm that new hires are not debarred. Valeant personnel will confirm that third parties with whom they are contracting with have not been excluded from such participation. Certifications to such effect will be utilized wherever possible in Valeant's contacts.