

## VALEANT PHARMACEUTICALS INTERNATIONAL, INC. SECURITIES CLASS ACTION

### NOTICE OF AUTHORIZATION (CERTIFICATION) AND THE GRANTING OF LEAVE TO PROCEED WITH STATUTORY SECONDARY MARKET MISREPRESENTATION CLAIMS

Read this notice carefully as it may affect your legal rights

THIS NOTICE IS TO certain investors in the common share and note securities of Valeant Pharmaceuticals International, Inc. ("**Valeant**") during the period from and including February 28, 2013 to and including October 26, 2015 ("**Class Period**") other than certain persons and entities associated with the defendants, further described below ("**Class**" and "**Class Members**").

#### THE AUTHORIZATION ORDER

On August 29, 2017, the Honourable Justice Chantal Chatelain of the Superior Court of the Province of Québec authorized the bringing of the securities class action in:

***Catucci et al***

v

***Valeant Pharmaceuticals International, Inc et al***

Court File No. 500-06-000783-163 ("**Valeant Canadian Class Action**"). By virtue of this Order, the Court authorized (certified) the Valeant Canadian Class Action, and appointed the class action plaintiffs, Mr. Celso Catucci and Ms. Nicole Aubin, as representative plaintiffs for the Class, defined as follows:

- a) Primary Market Sub-Class: All persons and entities, wherever they may reside or may be domiciled, who, during the Class Period, acquired Valeant's Securities in an Offering, and held some or all of such Securities at any point in time between October 19, 2015 and October 26, 2015, excluding any claims in respect of Valeant's Securities acquired in the United States (but not excluding any claims in respect of Valeant's 4.50% Senior Notes due 2023 offered in March 2015); and
- b) Secondary Market Sub-Class: All persons and entities, wherever they may reside or may be domiciled who, during the Class Period, acquired Valeant's Securities in the secondary market and held some or all of such Securities at any point in time between October 19, 2015 and October 26, 2015, excluding any claims in respect of Valeant's Securities acquired in the United States.

Excluded from the Class are the defendants,<sup>1</sup> members of the immediate families of the individual defendants, and the directors, officers, subsidiaries, and affiliates of Valeant and its subsidiaries.

Pursuant to the Court's Order, you are a Class Member if you meet the description provided in **Appendix "A."**

The Valeant Canadian Class Action will now proceed to trial as a securities class action involving claims for damages for misrepresentation in Valeant's disclosure documents. The Court has identified the issues that will be dealt with collectively and the conclusions sought, which are set out in **Appendix "B."** The Valeant Canadian Class Action will proceed in the judicial district of Montreal, Province of Québec.

Authorization is a procedural matter that defines the form of the class action litigation. The merits of the claims in the action, or the allegations of fact on which the claims are based, have not been finally determined by the Court. The defendants dispute the claims asserted against them.

#### THE NATURE OF THE CLAIMS ASSERTED

The Valeant Canadian Class Action asserts that the defendants made materially false or misleading statements, or omitted to disclose information required to make other statements not misleading, in certain of Valeant's disclosure documents released during the Class Period (the "**Impugned Documents**"). The Impugned Documents include annual reports, interim unaudited and annual audited financial statements, management's discussion and analyses, and primary market offering documents of Valeant issued during the Class Period.

<sup>1</sup> The defendants in the Valeant Canadian Class Action are: Valeant Pharmaceuticals International Inc.; J. Michael Pearson; Howard B. Schiller; Robert L. Rosiello; Robert A. Ingram; Ronald H. Farmer; Theo Melas-Kyriazi; G. Mason Morfit; Dr. Laurence Paul; Robert N. Power; Norma A. Provencio; Lloyd M. Segal; Katharine B. Stevenson; Fred Hassan; Colleen Goggins; Anders O. Lonner; Jeffrey W. Ubben; PricewaterhouseCoopers LLP; Goldman, Sachs & Co.; Goldman Sachs Canada Inc.; Deutsche Bank Securities Inc.; Barclays Capital Inc.; HSBC Securities (USA) Inc.; Mitsubishi UFJ Securities (USA) Inc.; DNB Markets Inc.; RBC Capital Markets LLC; Morgan Stanley & Co. LLC; SunTrust Robinson Humphrey Inc.; Citigroup Global Markets Inc.; CIBC World Markets Corp.; SMBC Nikko Securities America Inc.; TD Securities (USA) LLC; J.P. Morgan Securities LLC; Merrill Lynch, Pierce, Fenner & Smith Incorporated; and BMO Capital Markets Corp.

The alleged misrepresentations relate to two matters:

1. Valeant's relationship with certain specialty pharmacies, including but not limited to Philidor RX Services LLC, and the disclosure of that relationship and the related risks with respect to Valeant; and
2. Valeant's business practices and its compliance with financial reporting obligations under the applicable standards.

As a result of the alleged misrepresentations, it is alleged that Class Members paid too much when they acquired Valeant securities during the Class Period, and suffered damages when the alleged misrepresentations were publicly corrected in October of 2015 and thereafter.

### **Primary Market Claims**

On behalf of the Primary Market Sub-Class, the Valeant Canadian Class Action asserts claims under Title VIII, Chapter II, Division I of the Québec *Securities Act* ("**QSA**") and, if necessary, the concordant provisions of the securities legislation of the other Canadian Provinces and Territories, as well as Art. 1457 of the *Civil Code of Québec* ("**CCQ**").

The claims of the Primary Market Sub-Class are asserted against: Valeant; J. Michael Pearson; Howard B. Schiller; Robert A. Ingram; Ronald H. Farmer; Theo Melas-Kyriazi; G. Mason Morfit; Dr. Laurence Paul; Robert N. Power; Norma A. Provencio; Lloyd M. Segal; Katharine B. Stevenson; Fred Hassan; Colleen Goggins; Anders O. Lonner; Jeffrey W. Ubben; PricewaterhouseCoopers LLP; Goldman, Sachs & Co.; Goldman Sachs Canada Inc.; Deutsche Bank Securities Inc.; Barclays Capital Inc.; HSBC Securities (USA) Inc.; Mitsubishi UFJ Securities (USA) Inc.; DNB Markets Inc.; RBC Capital Markets LLC; Morgan Stanley & Co. LLC; SunTrust Robinson Humphrey Inc.; Citigroup Global Markets Inc.; CIBC World Markets Corp.; SMBC Nikko Securities America Inc.; Td Securities (USA) LLC; J.P. Morgan Securities LLC; Merrill Lynch, Pierce, Fenner & Smith Incorporated; and BMO Capital Markets Corp.

### **Secondary Market Claims**

On behalf of the Secondary Market Sub-Class, the Valeant Canadian Class Action asserts claims under Title VIII, Chapter II, Division II of the QSA and, if necessary, the comparable provisions of the securities legislation of the other Canadian Provinces and Territories, as well as Art. 1457 of the CCQ.

On August 29, 2017, the Honourable Justice Chantal Chatelain of the Superior Court of the Province of Québec also granted leave to the plaintiffs to proceed with the statutory secondary market misrepresentation

claims under Title VIII, Chapter II, Division II QSA. Leave of the Court was a necessary precondition to the assertion of these claims.

Leave under the QSA has been granted against: Valeant J. Michael Pearson; Howard B. Schiller; Robert L. Rosiello; Robert A. Ingram; Ronald H. Farmer; Theo Melas-Kyriazi; G. Mason Morfit; Dr. Laurence Paul; Robert N. Power; Norma A. Provencio; Lloyd M. Segal; Katharine B. Stevenson; Fred Hassan; Colleen Goggins; Anders O. Lonner; Jeffrey W. Ubben; and PricewaterhouseCoopers LLP.

The claims asserted for the Secondary Market Sub-Class under the QSA and the securities legislation of the other Canadian Provinces and Territories are subject to liability limits, which may cap the amount of damages that can be recovered from each defendant by way of the Valeant Canadian Class Action or any other class or individual proceeding asserting claims under the QSA or comparable provisions of the securities legislation in any other province or territory. If the Secondary Market Sub-Class is successful at trial, it is possible that the damages may exceed the damages caps, if applicable. The claims under Art. 1457 CCQ are not subject to liability limits.

If you wish to pursue other claims against the defendants relating to the matters at issue in the Valeant Canadian Class Action, you should immediately seek independent legal advice.

### **DO NOTHING IF YOU WANT TO PARTICIPATE IN THE CLASS ACTION**

Class Members who want to participate in the Valeant Canadian Class Action are automatically included and need not do anything at this time.

### **YOU MUST OPT OUT IF YOU DO NOT WANT TO BE BOUND BY THE CLASS ACTION**

Each Class Member who does not opt out of the Valeant Canadian Class Action will be bound by the terms of any judgment or settlement, whether favourable or not, and will not be allowed to prosecute an independent action.

Class Members who do not want to be bound by the outcome of the Valeant Canadian Class Action must "opt out," meaning that they must exclude themselves from the Valeant Canadian Class Action in accordance with the procedure described herein.

**If you wish to opt out of the Valeant Canadian Class Action, you must complete, sign and return the Opt-Out Form provided at Appendix "C" to RicePoint Administration Inc.**

**In order for your opt-out to be valid, your complete and signed Opt-Out Form must be postmarked or**

received by RicePoint Administration Inc. by no later than **June 19, 2018**.

A Class Member who opts out will not be entitled to participate in the Valeant Canadian Class Action.

#### **CLASS COUNSEL AND LEGAL FEES**

The class action plaintiffs and the Class in the Valeant Canadian Class Action are represented by a consortium of Canadian law firms consisting of Siskinds LLP, Faguy & Co, Siskinds Desmeules, Koskie Minsky LLP, Rochon Genova LLP, Strosberg Sasso Sutts LLP, Morganti & Co., PC and Investigation Counsel PC ("**Class Counsel**"). Class Counsel is conducting the litigation on a contingent fee basis.

In the event of success in the Valeant Canadian Class Action, class counsel will make a motion to the Court to have their fees and disbursements approved.

As a Class Member, you will not be required to pay any costs in the event that the Valeant Class Action is unsuccessful.

Class Members have the right to seek intervenor status in the Valeant Canadian Class Action. A Class Member who intervenes in the class action may be required to pay legal costs arising from the class action.

#### **ADDITIONAL INFORMATION**

This notice has been approved by the Superior Court of the Province of Québec. The Court offices cannot answer any questions about the matters in this notice. The Orders of the Court and other information in both languages are available on Class Counsel's websites at <http://www.siskinds.com/valeant/> and <http://www.faguyco.com/class-actions/>.

Questions relating to the Valeant Canadian Class Action may be directed to Class Counsel:

#### English:

Siskinds LLP  
Suite 302, 100 Lombard Street  
Toronto, ON, Canada M5C 1M3  
Tel: +1.800.461.6166 ext. 4390 (toll free)  
Tel: +1.416.594.4390 (outside North America)  
Email: sajjad.nematollahi@siskinds.com

#### En français:

Faguy & Co.  
329 de la Commune St W  
Montréal, QC, Canada H2Y 2E1  
Tel: +1.514.285.8100  
Email: classactions@faguyco.com

#### **NOTICE TO BROKERAGE FIRMS**

Please deliver this notice by email to your clients who purchased Valeant's securities during the Class Period and for whom you have valid email addresses. If you have clients who purchased Valeant's securities during the Class Period for whom you do not have valid email addresses, please contact RicePoint Administration Inc. to obtain hard copies of this notice for the purpose of mailing the notice to those clients. Brokerage firms may request up to \$15,000 in total for the expenses relating to the distribution of this notice to the Class Members. If the amounts submitted in aggregate exceed \$15,000, each brokerage firm's claim shall be reduced on a pro rata basis.

Valeant Pharmaceuticals International, Inc. Securities  
Litigation  
c/o RicePoint Administration Inc.  
PO Box 4454, Toronto Station A,  
25 The Esplanade  
Toronto, ON, Canada  
M5W 4B1

***The publication of this notice was authorized by the  
Superior Court of the Province of Québec***

**APPENDIX “A”  
VALEANT SECURITIES INCLUDED IN  
THE VALEANT CANADIAN CLASS ACTION**

**1. Valeant Common Shares:**

Primary Market: You are a Class Member if you acquired Valeant's common shares pursuant to any of the following Valeant prospectuses, you acquired such common shares outside of the United States, and you held some or all of such common shares at any point in time between October 19, 2015 and October 26, 2015:

- a) Prospectus Supplement dated June 18, 2013 to a Short Form Base Shelf Prospectus dated June 14, 2013;
- b) Prospectus Supplement dated June 18, 2013 to a Prospectus dated June 10, 2013; and/or
- c) Prospectus Supplement dated March 17, 2015 to a Prospectus dated June 10, 2013.

Secondary Market: You are a Class Member if you acquired Valeant's common shares on any secondary market securities trading venue such as the Toronto Stock Exchange other than the United States secondary market securities trading venues such as the New York Stock Exchange, you acquired such common shares during the Class Period, and you held some or all of such common shares at any point in time between October 19, 2015 and October 26, 2015.

**2. Valeant 6.75% senior notes due 2018:**

Primary Market: You are a Class Member if you acquired these notes pursuant to Valeant's Offering Circular dated June 27, 2013 outside of the United States, and you held some or all of such notes at any point in time between October 19, 2015 and October 26, 2015.

Secondary Market: You are a Class Member if you acquired these notes in the secondary market anywhere in the world other than in the United States, you acquired such notes during the Class Period, and you held some or all of such notes at any point in time between October 19, 2015 and October 26, 2015.

Note that in a series of transactions carried out in March and August 2017, Valeant redeemed all the outstanding 6.75% senior notes due 2018. You are, nonetheless, a Class Member if you meet the description provided above.

**3. Valeant 7.50% senior notes due 2021:**

Primary Market: You are a Class Member if you acquired these notes pursuant to Valeant's Offering Circular dated June 27, 2013 outside of the United States, and you held some or all of such notes at any point in time between October 19, 2015 and October 26, 2015.

Secondary Market: You are a Class Member if you acquired these notes in the secondary market anywhere in the world other than in the United States, you acquired such notes during the Class Period, and you held some or all of such notes at any point in time between October 19, 2015 and October 26, 2015.

**4. Valeant 5.625% senior notes due 2021:**

Primary Market: You are a Class Member if you acquired these notes pursuant to Valeant's Offering Circular dated November 15, 2013 outside of the United States, and you held some or all of such notes at any point in time between October 19, 2015 and October 26, 2015.

Secondary Market: You are a Class Member if you acquired these notes in the secondary market anywhere in the world other than in the United States, you acquired such notes during the Class Period, and you held some or all of such notes at any point in time between October 19, 2015 and October 26, 2015.

**5. Valeant 5.50% senior unsecured notes due 2023:**

Primary Market: You are a Class Member if you acquired these notes pursuant to Valeant's Offering Memorandum dated January 15, 2015 outside of the United States, and you held some or all of such notes at any point in time between October 19, 2015 and October 26, 2015.

Secondary Market: You are a Class Member if you acquired these notes in the secondary market anywhere in the world other than in the United States, you acquired such notes during the Class Period, and you held some or all of such notes at any point in time between October 19, 2015 and October 26, 2015.

**6. Valeant 5.375% senior unsecured notes due 2020:**

Primary Market: You are a Class Member if you acquired these notes pursuant to Valeant's Offering Memorandum dated March 13, 2015 outside of the United States, and you held some or all of such notes at any point in time between October 19, 2015 and October 26, 2015.

Secondary Market: You are a Class Member if you acquired these notes in the secondary market anywhere in the world other than in the United States, you acquired such notes during the Class Period, and you held some or all of such notes at any point in time between October 19, 2015 and October 26, 2015.

**7. Valeant 5.875% senior unsecured notes due 2023:**

Primary Market: You are a Class Member if you acquired these notes pursuant to Valeant's Offering Memorandum dated March 13, 2015 outside of the United States, and you held some or all of such notes at any point in time between October 19, 2015 and October 26, 2015.

Secondary Market: You are a Class Member if you acquired these notes in the secondary market anywhere in the world other than in the United States, you acquired such notes during the Class Period, and you held some or all of such notes at any point in time between October 19, 2015 and October 26, 2015.

**8. Valeant 4.50% senior unsecured notes due 2023:**

Primary Market: You are a Class Member if you acquired these notes pursuant to Valeant's Offering Memorandum dated March 13, 2015, and you held some or all of such notes at any point in time between October 19, 2015 and October 26, 2015.

Secondary Market: You are a Class Member if you acquired these notes in the secondary market anywhere in the world other than in the United States, you acquired such notes during the Class Period, and you held some or all of such notes at any point in time between October 19, 2015 and October 26, 2015.

**9. Valeant 6.125% senior unsecured notes due 2025:**

Primary Market: You are a Class Member if you acquired these notes pursuant to Valeant's Offering Memorandum dated March 13, 2015 outside of the United States, and you held some or all of such notes at any point in time between October 19, 2015 and October 26, 2015.

Secondary Market: You are a Class Member if you acquired these notes in the secondary market anywhere in the world other than in the United States, you acquired such notes during the Class Period, and you held some or all of such notes at any point in time between October 19, 2015 and October 26, 2015.

**APPENDIX “B”  
CLASS ACTION COMMON ISSUES**

Pursuant to the Order of the Honourable Justice Chantal Chatelain, dated August 29, 2017, the issues to be dealt with collectively are as follows:

- a) Did the Impugned Documents (as defined in the present motion) contain one or more misrepresentations within the meaning of the QSA or, as applicable, within the meaning of the other Securities Legislation or the laws of another jurisdiction? If so, what documents contained what misrepresentations?
- b) Are any of the Defendants, other than the Underwriters (as defined in the present motion), liable to the Secondary Market Sub-Class, or any of the members of the Secondary Market Sub-Class, under Title VIII, Chapter II, Division II of the QSA or, as applicable, under the concordant provisions of the other Securities Legislation or the laws of another jurisdiction? If so, what Defendant is liable and to whom?
- c) Are any of the Defendants liable to the Primary Market Sub-Class, or any of the members of the Primary Market Sub-Class, under Title VIII, Chapter II, Division I of the QSA or, as applicable, under the concordant provisions of the other Securities Legislation or the laws of another jurisdiction? If so, what Defendant is liable and to whom?
- d) Did any of the Defendants owe a duty of diligence or care to the Class, or any of the members of the Class, under the general private law of Quebec or, as applicable, under the general private law of another jurisdiction? If so, what Defendant owed a duty of diligence or care and to whom?
- e) If some or all of the Defendants owed a duty of diligence or care to the Class, or any of the members of the Class, did any of the Defendants violate such duty of diligence or care and commit a fault under article 1457 of the *Civil Code of Quebec* or, as applicable, a tort or other wrong under the law of another jurisdiction? If so, what Defendant committed a fault, a tort or other wrong and with respect to whom?
- f) What damages are sustained by the Applicants and the other members of the Class?
- g) Are any of the Defendants liable to the Applicants and the Class, or any of them, for damages? If so, what Defendant is liable, to whom and in what amount?

Pursuant to the Order of the Honourable Justice Chantal Chatelain, dated August 29, 2017, the conclusions sought by the class action are as follows:

- a) **GRANT** this class action on behalf of the Class.
- b) **GRANT** the Applicants' action against the Defendants in respect of the rights of action asserted against Defendants under Title VIII, Chapter II, Divisions I and II of the QSA and, if necessary, the concordant provisions of the other Securities Legislation, and article 1457 of the *Civil Code of Quebec*.
- c) **CONDEMN** the Defendants to pay to the Applicants and the Class compensatory damages for all monetary losses.
- d) **ORDER** collective recovery in accordance with articles 595 to 598 of the *Code of Civil Procedure*.
- e) **THE WHOLE** with interest and additional indemnity provided for in the *Civil Code of Quebec* and with full costs, including expert fees, notice fees and fees relating to administering the plan of distribution of the recovery in this action.



(PLEASE CIRCLE THE APPROPRIATE LANGUAGE)

I believe that **I am / the organization that I represent is** a member of the Class in the Valeant Canadian Class Action.

I believe that **I am not / the organization that I represent is not** amongst the persons and entities excluded from the Valeant Canadian Class Action.

I understand that by opting out of the Valeant Canadian Class Action, **I will not be eligible / the organization that I represent will not be eligible** for any benefit that may be available to the Class upon resolution of this matter, if and when such resolution may occur.

I, \_\_\_\_\_ (print your full name), **OPT OUT FROM THE VALEANT CANADIAN CLASS ACTION** and wish to be excluded from this class action.

I wish to opt out from this class action for the following reason(s) (*optional*):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_.

I, \_\_\_\_\_ (print your full name), **CERTIFY** that the information provided herein is complete and true.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

**In order to validly opt out, you must complete and send this Opt-Out Form by no later than June 19, 2018 to:**

Valeant Pharmaceuticals International, Inc. Securities Litigation  
c/o RicePoint Administration Inc.  
PO Box 4454, Toronto Station A,  
25 The Esplanade  
Toronto, ON, Canada  
M5W 4B1