

If you are a Third-Party Payor and made payments or reimbursements for Valeant-branded drugs fulfilled through Philidor from January 2, 2013 through November 9, 2015, you may be eligible for a payment from a class action settlement.

*This Notice is being provided by Order of the U.S. District Court for the District of New Jersey.
It is not a solicitation from a lawyer. You are not being sued.*

- Two proposed settlements have been proposed in a class action lawsuit brought on behalf of Third-Party Payors (“TPPs”) who paid or incurred costs for Valeant-branded drugs from January 2, 2013 through November 9, 2015 (the “Class Period”) that were purchased from Philidor Rx Services, LLC (“Philidor”) or any pharmacy in which Philidor had a direct or indirect ownership interest.
- The lawsuit, *In re Valeant Pharmaceuticals International, Inc. Third-Party Payor Litigation*, Civil Action No. 16-3087-(MAS)(LHG), is pending in the United States District Court for the District of New Jersey (the “Court”).
- The lawsuit claims that Valeant Pharmaceuticals International, Inc. (“Valeant”), Philidor, and the other Defendants (*see* Question 2 on page 2) violated the Racketeer Influenced and Corrupt Organizations (“RICO”) Act by causing Third-Party Payors to pay artificially inflated prices for Valeant drugs as a result of a fraudulent scheme in which Valeant secretly controlled a captive pharmacy network through Philidor.
- The proposed settlements provide a total cash payment of **\$23.125 million**. Plaintiffs have reached a proposed settlement with Valeant for \$23 million (the “Valeant Settlement”) and a proposed settlement with Philidor, Andrew Davenport, and the Estate of Matthew S. Davenport for \$125,000 (the “Philidor Defendants Settlement” and, with the Valeant Settlement, the “Settlements”).
- The combined Settlement Amounts, plus interest earned, are known as the “Settlement Funds.” The Net Settlement Funds (*i.e.*, the Settlement Funds less: (i) any Taxes; (ii) any Notice and Administration Costs; (iii) any Litigation Expenses and service awards for Plaintiffs awarded by the Court; (iv) any attorneys’ fees awarded by the Court; and (v) any other costs or fees approved by the Court) will be distributed to eligible claimants in accordance with a plan of allocation to be approved by the Court.¹

¹ All capitalized terms not defined in this Notice shall have the meanings set forth in the Stipulation and Agreement of Settlement with Valeant Pharmaceuticals International, Inc., dated August 4, 2021 (“Valeant Stipulation”), or the Stipulation and Agreement of Settlement with the Philidor Defendants, dated August 4, 2021 (“Philidor Defendants Stipulation”), which are available at www.ValeantTPPSettlement.com.

**A Summary of Your Rights and Options:
Your Legal Rights Are Affected Even If You Do Not Act.
Read This Notice Carefully.**

You May:	Brief Explanation:	Due Date:
File a Claim	Submit a Claim Form This is the only way you will receive any payment from the Settlements. <i>See Question 7.</i>	Postmarked (if mailed) or filed online by January 6, 2022
Exclude Yourself	Get out of the Settlements You may exclude yourself from the Settlement Class and keep your right to sue at your own expense. If you exclude yourself, you will not receive any payment from the Settlements. <i>See Question 12.</i>	Received by November 11, 2021
Object to the Settlements	Object or comment on the Settlements If you do not exclude yourself, you may object to or comment on one or both of the Settlements, the proposed Plan of Allocation, or the request for attorneys' fees and Litigation Expenses. <i>See Question 14.</i>	Received by November 11, 2021
Do Nothing	You are automatically part of the class action if you fit the definition of the Settlement Class below. However, if you do not file a claim by January 6, 2022, you will not receive any payment from the Settlements. <i>See Question 9.</i>	N/A

**THESE RIGHTS AND OPTIONS
— AND THE DEADLINES TO EXERCISE THEM —
ARE EXPLAINED IN THIS NOTICE.**

1. Why did I receive this Notice? What is this Notice about?

You received this Notice because you requested it or because records indicate that you are a Third-Party Payor who may have paid or incurred costs for Valeant-branded drugs from January 2, 2013 through November 9, 2015, purchased from Philidor or a Philidor Network Pharmacy (see list below). You may be entitled to money as part of the Settlements proposed to resolve this Action. You are not being sued.

This Notice explains:

- What the Action and the Settlements are about.
- Who is affected by the Settlements.
- Who represents you and the Settlement Class in the Action.
- What your legal rights and choices are.
- How and by when you need to act.

2. Who are the Defendants?

The Defendants (the companies and individuals that the lawsuit is being brought against) are Valeant Pharmaceuticals International, Inc. ("Valeant"); Philidor Rx Services, LLC ("Philidor"), Andrew Davenport, and the Estate of Matthew S. Davenport.

3. What is the Action about?

The Action alleges that Defendants violated the RICO Act by causing Plaintiffs² and other Third-Party Payors to pay for Valeant drugs that should never have been delivered and to pay artificially inflated prices for Valeant drugs through Valeant's secret captive pharmacy network, which was controlled by Philidor. The Action alleges that Valeant concealed its effective ownership and control of Philidor and that Defendants used the Philidor pharmacy network to inflate the price of Valeant drugs.

Defendants deny any wrongdoing and liability. They agreed to the Settlement to resolve the controversy and to avoid the burden and expense of further litigation.

4. Who is a member of the Settlement Class? Who is eligible under the Settlements?

The Settlement Class includes:

all health insurance companies, health maintenance organizations, self-funded health and welfare benefit plans, other Third-Party Payors, and any other health benefit provider in the United States of America or its territories, that paid or incurred costs for Valeant's branded drug products in connection with a claim submitted by Philidor, a claim submitted by any pharmacy in which Philidor had a direct or indirect ownership interest, or a claim by any pharmacy for which the amount sought for reimbursement was alleged to be inflated as a result of Defendants' allegedly fraudulent scheme, during the period from January 2, 2013 through November 9, 2015 (the "Class Period"), and allegedly suffered damages thereby.

A Third-Party Payor (or "TPP") is an entity in the United States of America or its territories that was (i) a party to a contract, issuer of a policy, or sponsor of a plan; and (ii) at risk, under such contract, policy, or plan, to pay or reimburse all or part of the cost of prescription drugs dispensed to covered natural persons. TPPs include insurance companies, union health and welfare benefit plans, and self-insured employers. Entities with self-funded plans that contract with a health insurance company or other entity to serve as a third-party claims administrator to administer their prescription drug benefits qualify as TPPs. Private plans that cover government employees and/or retirees are also included.

Excluded from the Settlement Class are Pharmacy Benefit Managers³, Defendants, Defendants' successors and assigns, and any entity in which any Defendant has or had a controlling interest. Also excluded from the Settlement Class are any entities that submit a Request for Exclusion that is accepted by the Court. *See* Question 12 below.

To be a member of the Settlement Class, you must have paid or incurred costs for a Valeant-branded drug that was purchased from or fulfilled by Philidor or a pharmacy in which Philidor had a direct or indirect ownership interest (a "Philidor Network Pharmacy"). The list of **Philidor Network Pharmacies** is:

- Cambria Pharmacy
- D&A Pharmacy
- Heritage Compounding Pharmacy
- Orbit Pharmacy
- Parkwest Pharmacy
- Philidor Rx Services, LLC
- Prescription Shoppe
- R&O Pharmacy
- Safe Rx Pharmacy
- West Wilshire Pharmacy

² "Plaintiffs or "Class Representatives" are Air Conditioning and Refrigeration Industry Health and Welfare Trust Fund, Fire and Police Health Care Fund, San Antonio, Plumbers Local Union No. 1 Welfare Fund, New York Hotel Trades Council & Hotel Association of New York City, Inc. Health Benefits Fund, and the Detectives Endowment Association of New York City.

³ "Pharmacy Benefit Managers" means pharmacy benefit managers and comparable entities such as third-party administrators and administrative service organizations that contract with Third-Party Payors to perform administrative and/or management services in connection with the Third-Party Payors' purchase of prescription drugs.

The Valeant-branded drugs that were affected by the alleged wrongdoing in this Action include:

- Addyi
- Aldara
- Atralin
- Carac
- Cuprimine
- Edecrin
- Glumetza
- Jublia
- Lodosyn
- Loprox
- Luzu
- Mephyton
- Migranal Nasal Spray (dihydroergotamine mesylate)
- Noritate
- Retin-A Micro
- Solodyn
- Syprine
- Targretin
- Tretinoin
- Vanos
- Wellbutrin
- Xerese
- Ziana

If you are a TPP and you paid or reimbursed costs from January 2, 2013 through November 9, 2015, for a Valeant-branded drug that was purchased from or fulfilled by Philidor or a Philidor Network Pharmacy, you are a member of the Settlement Class and are eligible to participate in the Settlement.

5. What do the proposed Settlements provide?

The Valeant Settlement provides that Valeant will pay \$23,000,000.00 into a Settlement Fund for the benefit of the Settlement Class, and the Philidor Defendants Settlement provides that Philidor, Andrew Davenport, and the Estate of Matthew S. Davenport will pay \$125,000.00 into a Settlement Fund for the benefit of the Settlement Class. Both Settlements are subject to approval by the Court. In addition, the effectiveness of the Philidor Defendants Settlement is contingent upon final approval of the Valeant Settlement.

Each of the Settlements provides a release of all claims by members of the Settlement Class. This means that if you remain in the Settlement Class you cannot sue the Defendants in another lawsuit relating to the claims in this lawsuit. The full release language is found in the Claim Form included in this Notice package. Attorneys' fees, Litigation Expenses, any service awards to Plaintiffs, and Notice and Administration Costs, as approved by the Court, will be paid from the Settlement Funds before distribution to Settlement Class Members.

Class Counsel conducted a thorough investigation of the law and facts in the Action. The Action was litigated for several years, including through discovery resulting in production and review of 4 million pages of documents and 39 depositions. The Settlement is a result of arm's-length negotiations among the parties. Class Counsel compared the benefits of the Settlements to the risks of going to trial and concluded that the Settlements are fair, reasonable, adequate, and in the best interests of the Settlement Class.

Complete details of the Settlements are found in the Valeant Stipulation and the Philidor Defendants Stipulation, which are available at www.ValeantTPPSettlement.com.

6. How do I know if I am included in the Settlements being proposed?

You are automatically included in the Settlements if you meet the definition of the Settlement Class above.

If you do not want to be included, you must exclude yourself. Details on how to exclude yourself are found in the answer to Question 12.

7. What do I need to do to get a payment?

To receive payment from the Settlements, you must submit a valid Claim Form either online at www.ValeantTPPSettlement.com by **January 6, 2022**, or by mail, postmarked by **January 6, 2022**, to the Claims Administrator at the following address:

**Valeant TPP Settlements
c/o A.B. Data, Ltd.
P.O. Box 173052
Milwaukee, WI 53217**

A Claim Form is included with this Notice. *The Claim Form provides complete instructions for submitting a valid claim.*

8. How are payments determined?

At this time, it is not possible to make any determination as to how much any individual Settlement Class Member may receive from the Settlements. Under the two Settlements, Defendants shall pay or cause to be paid a total of \$23,125,000 in cash. The Net Settlement Funds, after deduction of attorneys' fees, Litigation Expenses, service awards to Plaintiffs, Taxes, and Notice and Administration Costs, as awarded or allowed by the Court, will be distributed in accordance with a plan of allocation to be approved by the Court.

Under Plaintiffs' proposed Plan of Allocation, the Net Settlement Funds will be distributed on a *pro rata* basis to Settlement Class Members who submit valid Claim Forms based on the amount that each Claimant paid for Valeant-branded drugs purchased from or fulfilled by Philidor or a Philidor Network Pharmacy (as defined in the Notice) during the Class Period, in proportion to the total amount that all eligible Claimants paid for Valeant-branded drugs purchased from or fulfilled by Philidor or a Philidor Network Pharmacy during the Class Period. The Plan of Allocation is set forth in Appendix A at the end of this Notice.

9. What happens if I do nothing?

If you are a member of the Settlement Class and you do nothing, you will be bound by the Settlement. However, to receive any money from the Settlements you must submit a valid Claim Form filed or postmarked (if mailed) by **January 6, 2022**, to the Claims Administrator. For details on how to exclude yourself ("opt out") from the Settlement Class, *see* Question 12.

10. If I remain in the Settlement Class, what claims am I settling?

If the Court approves the Settlements, the Action will be dismissed and you and all members of the Settlement Class may not sue the Defendants for the same claims. You and all members of the Settlement Class will release all claims concerning the conduct challenged in this lawsuit. The full texts of the releases are set forth in the Claim Form, which is included in this Notice package.

11. What if I don't want to be in the Settlement Class?

If you decide to exclude yourself from the Settlement Class, you will be free to sue Defendants on your own for their conduct alleged in this Action. However, you will not receive any money from the Settlements, and you will no longer be represented by Class Counsel. If you want to receive money from the Settlements, do not exclude yourself.

12. How do I exclude myself from the Settlement Class?

You can exclude yourself from the Settlement Class by sending a written "Request for Exclusion" to the Claims Administrator so that it is *received* by **November 11, 2021**. Your written request must:

- state the name, address, and telephone number of the person or entity requesting exclusion, and in the case of entities, the name and telephone number of the appropriate contact person;
- state that such person or entity "requests exclusion from the Settlement Class in *In re Valeant Pharmaceuticals International, Inc. Third-Party Payor Litigation*, Civil Action No. 16-3087-(MAS)(LHG) (D.N.J.)";

- state the total dollar amount that the person or entity requesting exclusion paid or incurred to purchase or reimburse purchases of Valeant-branded drugs purchased from or fulfilled by Philidor or a Philidor Network Pharmacy from January 2, 2013 through November 9, 2015; and
- be signed by the person or entity requesting exclusion or an authorized representative.

Requests for Exclusion must be sent to the following address:

Valeant TPP Settlements
EXCLUSIONS
c/o A.B. Data, Ltd.
P.O. Box 173001
Milwaukee, WI 53217

Please note that that you cannot request exclusion with respect to only the Valeant Settlement or only the Philidor Defendants Settlement. If you request exclusion from the Settlement Class, you will be excluded from participation in both Settlements.

Valeant has the right to terminate the Valeant Settlement if valid Requests for Exclusion are received from persons and entities entitled to be members of the Settlement Class in an amount that exceeds an amount agreed to by Plaintiffs and Valeant.

13. May I object to the Settlements?

Yes. If you are a member of the Settlement Class and you have not requested exclusion from the Settlement Class, you may object to any aspect of the Settlements, including their fairness, reasonableness, or adequacy, the proposed Plan of Allocation, or Class Counsel's motion for attorneys' fees and expenses.

14. How do I object to the Settlements?

To object to one or both of the Settlements, the proposed Plan of Allocation, or the request for attorneys' fees and expenses, you (or your lawyer if you have one) must file an objection with the Clerk of the Court, United States District Court for the District of New Jersey, Clarkson S. Fisher Building & U.S. Courthouse, 402 E. State St., Trenton, NJ 08608. This must be **received by November 11, 2021**. Your objection must contain the following information:

- The case name and number, *In re Valeant Pharmaceuticals International, Inc. Third-Party Payor Litigation*, Civil Action No. 16-3087-(MAS)(LHG);
- The name, address, and telephone number of the person or entity objecting, and if represented by counsel, the name, address, and telephone number of such counsel, and must be signed by the objector or an authorized representative;
- The objection, including any supporting papers, which must state with specificity the grounds for the objection, including any legal and evidentiary support the Settlement Class Member wishes to bring to the Court's attention and whether the objection applies only to the objector, to a specific subset of the Settlement Class, or to the entire Settlement Class;
- The objection must state the total dollar amount that the objecting Settlement Class Member paid or incurred to purchase or reimburse purchases of Valeant-branded drugs purchased from or fulfilled by Philidor or a Philidor Network Pharmacy from January 2, 2013 through November 9, 2015, and must provide supporting documentation establishing that the objector is a member of the Settlement Class; and
- The names and addresses of any witnesses to be presented at the Settlement Hearing, together with a statement as to the matters on which they wish to testify and a summary of the proposed testimony.
- The objection and any documentation that you file with the Court must also be mailed or delivered so that it is **received on or before November 11, 2021**, by the following:

<p>Class Counsel</p> <p>Bernstein Litowitz Berger & Grossmann LLP James A. Harrod, Esq. 1251 Avenue of the Americas New York, NY 10020</p>	<p>Valeant's Counsel</p> <p>Simpson Thacher & Bartlett LLP Craig S. Waldman, Esq. 425 Lexington Avenue New York, NY 10017</p>
<p>Carella, Byrne, Cecchi, Olstein, Brody & Agnello, P.C. James E. Cecchi, Esq. 5 Becker Farm Road Roseland, NJ 07068</p>	<p>Philidor Defendants' Counsel</p> <p>Ferrara Law Group, P.C. Ralph P. Ferrara, Esq. 1 Holtec Drive, Suite G102 Marlton, NJ 08053</p>

Settlement Class Members that wish to object must also email their objection and any supporting papers, on or before November 11, 2021, to settlements@blbglaw.com, jecchi@carellabyrne.com, cwaldman@stblaw.com, and ralph@ferraralawgp.com.

Objections filed with the Court *after November 11, 2021* will *not* be considered.

Any lawyer representing a Settlement Class Member for the purpose of making objections must also file a Notice of Appearance with the Clerk of the Court no later than **November 11, 2021**, and must also serve copies by mail to Counsel listed above.

15. What is the difference between objecting to the Settlements and excluding myself from the Settlement Class?

To object to one or both of the Settlements, you must remain a member of the Settlement Class. An objection allows your views on the Settlements to be heard in Court. You will be bound by the terms and conditions of the Settlements if they are approved, even if the Court rules against your objection.

When you exclude yourself, or opt out, you are no longer a member of the Settlement Class. You will not be subject to the terms and conditions of the Settlements, and you keep your right to sue the Defendants for the same claims in another lawsuit. However, you lose the right to object to the Settlements and you will not receive any payment from the Settlements.

16. Do I have a lawyer representing my interests in this Action?

Yes. The Court has appointed lawyers to represent you and other Settlement Class Members. These lawyers are called Class Counsel. You will not be charged individually for these lawyers. They will ask the Court to approve an award of fees and expenses to be paid from the Settlement Funds. The following law firms represent the Settlement Class:

<p>James A. Harrod, Esq. Bernstein Litowitz Berger & Grossmann LLP 1251 Avenue of the Americas New York, NY 10020</p>	<p>James E. Cecchi Carella, Byrne, Cecchi, Olstein, Brody & Agnello, P.C. 5 Becker Farm Road Roseland, NJ 07068</p>
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17. How will the lawyers be compensated?

Class Counsel will request an award from the Court for attorneys' fees and expenses for all Plaintiffs' Counsel⁴ in an amount not to exceed 30% of the Settlement Funds. Class Counsel will also apply for payment of Plaintiffs' Counsel's Litigation Expenses in an amount not to exceed \$750,000. Plaintiffs may also apply for service awards, including for reimbursement

⁴ Plaintiffs' Counsel are Class Counsel (Bernstein Litowitz Berger & Grossmann LLP and Carella, Byrne, Cecchi, Olstein, Brody & Agnello, P.C.); Barrack, Rodos & Bacine; and Cohen Milstein Sellers & Toll PLLC.

of their costs and expenses related to their representation of the Settlement Class, in a total amount not to exceed \$100,000. All awards for attorneys' fees, Litigation Expenses, and Plaintiffs' service awards shall be paid from the Settlement Funds if approved by the Court. Individual Settlement Class Members are not responsible for these costs.

18. Should I get my own lawyer?

You do not need to hire your own attorney, but if you hire an attorney to speak for you or appear in Court, your lawyer must file a Notice of Appearance (*see* Question 14 above). If you hire your own lawyer, you will have to pay for that lawyer on your own.

19. When and where will the Court decide whether to grant final approval of the Settlements?

The Court will hold a hearing to consider the final approval of the Settlements, called a "Settlement Hearing," on **December 2, 2021, at 10:00 a.m. Eastern**, either in person at Courtroom 1 of the United States District Court for the District of New Jersey, Clarkson S. Fisher Building & U.S. Courthouse, 402 E. State St., Trenton, NJ 08608, or by telephone or videoconference (in the discretion of the Court). The Court may reschedule the Settlement Hearing without further notice to the Settlement Class.

The purpose of the Settlement Hearing is to:

- Decide if the Action should be certified as a class action and if Plaintiffs should be approved as Class Representatives and Class Counsel should be approved as counsel for the Settlement Class;
- Decide if the Valeant Settlement is fair, reasonable, and adequate, and should be approved, and if a judgment as to Valeant should be entered;
- Decide if the Philidor Defendants Settlement is fair, reasonable, and adequate, and should be approved, and if a judgment as to the Philidor Defendants should be entered;
- Decide if the Plan of Allocation of the Settlement Funds should be approved;
- Consider Class Counsel's motion for attorneys' fees and Litigation Expenses, including any requests for service awards for the Plaintiffs who represented the Settlement Class;
- Consider all comments or objections on the Settlements; and
- Consider any other issues the Court thinks it is necessary to consider.

20. Do I have to attend the Settlement Hearing?

No. Attendance is not required, even if you mailed a written objection. Class Counsel are prepared to answer questions on your behalf. Settlement Class Members who filed and served a written objection, however, may attend the Settlement Hearing, in person or through an attorney hired at their own expense.

21. Can I speak at the Settlement Hearing?

Yes, anyone can attend the Settlement Hearing and watch. If you want to appear at the Settlement Hearing and object, in person or through an attorney hired at your own expense, you need to file and serve a written objection with the Court no later than **November 11, 2021**. *See* Question 14.

22. Where do I get more information?

This Notice contains a summary of relevant Court papers. Complete copies of public pleadings, Court rulings, and other filings are available for review and copying at the Clerk's office. The address is United States District Court for the District of New Jersey, Clarkson S. Fisher Building & U.S. Courthouse, 402 E. State St., Trenton, NJ 08608. You can also review relevant documents on the website specifically created to provide information about the Settlements, at www.ValeantTPPSettlement.com.

Additional information about the Action is available by:

Questions? Visit www.ValeantTPPSettlement.com or call 1-877-888-6363.

- Visiting the Settlement website at www.ValeantTPPSettlement.com
- Calling the Claims Administrator, toll-free: 1-877-888-6363
- Writing to:

Valeant TPP Settlements
c/o A.B. Data, Ltd.
P.O. Box 173052
Milwaukee, WI 53217

- Emailing: info@ValeantTPPSettlement.com

Please do not contact Valeant, the other Defendants, or the Court.

APPENDIX A

PROPOSED PLAN OF ALLOCATION

1. This Plan of Allocation will govern distributions from (a) the net proceeds of the \$23,000,000 settlement fund created by the August 4, 2021 Stipulation and Agreement of Settlement with Valeant Pharmaceuticals International, Inc. (the “Valeant Net Settlement Fund”) and (b) the net proceeds of the \$125,000 settlement fund created by the August 4, 2021 Stipulation and Agreement of Settlement with the Philidor Defendants (the “Philidor Defendants Net Settlement Fund”). The Valeant Net Settlement Fund and the Philidor Defendants Net Settlement Fund are collectively referred to herein as the “Net Settlement Funds.”

2. The objective of the Plan of Allocation is to equitably distribute the Net Settlement Funds to those Settlement Class Members who suffered economic losses as a proximate result of the alleged violations of law asserted in the Amended Complaint. The calculations made pursuant to the Plan of Allocation are not intended to be estimates of, nor indicative of, the amounts that Settlement Class Members might have been able to recover after a trial. Nor are the calculations pursuant to the Plan of Allocation intended to be estimates of the amounts that will be paid to Authorized Claimants pursuant to the Settlements. The computations under the Plan of Allocation are only a method to weigh the claims of Claimants against one another for the purposes of making *pro rata* allocations of the Net Settlement Funds.

3. To receive a distribution under this Plan of Allocation, a person or entity must be a member of the Settlement Class and must submit a timely and valid Claim Form. Claimants who requested exclusion from the Settlement Class shall not receive any distributions pursuant to this Plan of Allocation.

4. The timeliness and validity of all Claims submitted by Settlement Class Members shall be determined by the Claims Administrator, subject to review by Class Counsel and approval by the Court. All determinations under this Plan of Allocation shall be made by the Claims Administrator, subject to review by Class Counsel and approval by the Court.

5. **Recognized Claim:** A Claimant’s “Recognized Claim” shall be calculated as 80% of the total dollars spent by the Settlement Class Member to pay or provide reimbursement for some or all of the purchase price of one or more Valeant-branded drugs that were purchased from or fulfilled by Philidor or a Philidor Network Pharmacy during the Class Period.

6. **Documentation Requirement:** All Claim Forms claiming a Recognized Claim of \$100,000 or more require Claim Documentation. In addition, Claim Forms below that threshold may be determined to require Claim Documentation by the Claims Administrator where the Claims Administrator disputes a material fact concerning the Claim Form. Absent acceptable Claim Documentation, the Claims Administrator may, in consultation with Class Counsel, deny all or part of a claim, or may cap payment of a claim at 80% of the amount claimed.

7. **“Claim Documentation”** means itemized receipts, cancelled checks, invoices, statements, or other business or transaction records documenting payment for purchases or reimbursement paid for Valeant-branded drugs purchased from or fulfilled by Philidor or a Philidor Network Pharmacy during the Class Period.

8. **Determination of Distribution Amount:** The Net Settlement Funds will be distributed to Authorized Claimants on a *pro rata* basis based on the relative size of their Recognized Claims. Specifically, a “Distribution Amount” will be

calculated for each Authorized Claimant, which shall be the Authorized Claimant's Recognized Claim divided by the total Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Funds.

9. If an Authorized Claimant's Distribution Amount calculates to less than \$100.00, it will not be included in the calculation and no distribution will be made to that Authorized Claimant.

10. After the initial distribution of the Net Settlement Fund, the Claims Administrator will make reasonable and diligent efforts to have Authorized Claimants cash their distribution checks. To the extent any monies remain in the Net Settlement Fund after the initial distribution, if Lead Counsel, in consultation with the Claims Administrator, determines that it is cost-effective to do so, the Claims Administrator, no less than seven (7) months after the initial distribution, will conduct a re-distribution of the funds remaining after payment of any unpaid fees and expenses incurred in administering the Settlement, including for such re-distribution, to Authorized Claimants who have cashed their initial distributions and who would receive at least \$10.00 from such re-distribution. Additional re-distributions to Authorized Claimants who have cashed their prior checks and who would receive at least \$10.00 on such additional re-distributions may occur thereafter if Lead Counsel, in consultation with the Claims Administrator, determines that additional re-distributions, after the deduction of any additional fees and expenses incurred in administering the Settlement, including for such re-distributions, would be cost-effective. At such time as it is determined that the re-distribution of funds remaining in the Net Settlement Funds is not cost-effective, the remaining balance will be contributed to one or more non-sectarian, not-for-profit, 501(c)(3) organization(s) to be determined by Class Counsel and approved by the Court.

11. Payment pursuant to the Plan of Allocation, or such other plan of allocation as may be approved by the Court, will be conclusive against all Claimants. No person or entity shall have any claim against Plaintiffs, Class Counsel, the Claims Administrator, or any other agent designated by Class Counsel, or Defendants' Releasees and/or their respective counsel, arising from distributions made substantially in accordance with the Stipulation, the plan of allocation approved by the Court, or any order of the Court. Plaintiffs and Defendants, and their respective counsel, and all other Releasees shall have no liability whatsoever for the investment or distribution of the Settlement Funds or the Net Settlement Funds, the plan of allocation, or the determination, administration, calculation, or payment of any claim or nonperformance of the Claims Administrator, the payment or withholding of Taxes (including interest and penalties) owed by the Settlement Fund, or any losses incurred in connection therewith.

12. The Plan of Allocation set forth herein is the plan that is being proposed by Plaintiffs to the Court for its approval. The Court may approve this Plan as proposed or it may amend or modify the Plan of Allocation without further notice to the Class. Any Orders regarding any amendment or modification of the Plan of Allocation will be posted on www.ValeantTPPSettlement.com.