

**FOREST LABORATORIES, INC.  
COMPREHENSIVE COMPLIANCE PROGRAM**

**1. Compliance with Law**

All employees, officers and directors of the Company shall respect and comply with all applicable federal, state, local and foreign laws and regulations.

This Comprehensive Compliance Program does not summarize all laws and regulations applicable to the Company and its employees, officers and directors. All personnel are required to consult a supervisor, manager or other appropriate personnel and the various guidelines and updates provided by the Company with respect to specific laws and regulations applicable to the Company or its business.

The standards set forth herein are embodied in the Company's written Code of Business Conduct and Ethics which is applicable to all employees, officers and directors of the Company.

**2. Interactions with Healthcare Professionals - Purpose and Standards**

The Company is committed to following the highest ethical standards, as well as legal requirements, in relationships with healthcare professionals. The Company's interactions with healthcare professionals are at all times for the purpose of providing the latest, most accurate information available regarding prescription medicines, to benefit patients, the public at large and the practice of medicine. In furtherance of this purpose, all employees, officers and directors will conduct such interactions in compliance with all applicable laws, regulations and guidelines, including without limitation, (1) the Company's Compliance policies ("Compass"), (2) the Compliance Program Guidance for Pharmaceutical Manufacturers issued in April 2003 by the Office of Inspector General of the Department of Health and Human Services, (3) the Code on Interactions with Healthcare Professionals (PhRMA Code) adopted in July 2002 by the Pharmaceutical Research Manufacturers of America with revisions effective January 1, 2009, (4) the guidelines of the American Medical Association ("AMA"), (5) the requirements of the Prescription Drug Marketing Act (PDMA) and (6) the guidelines of the Accreditation Council for Continuing Medical Education (ACCME).

**3. Interactions with Healthcare Professionals - Specific Guidance**

The Company's Comprehensive Compliance Program includes specific guidance as to interactions between Company representatives and other personnel with healthcare professionals and the healthcare community as follows:

- a) informational lunches
- b) speaker programs
- c) roundtable discussions
- d) sponsorships
- e) educational items
- f) medical education grants
- g) peer-to-peer physician programs
- h) physician consulting and advisory arrangements

The Comprehensive Compliance Program also includes specific guidance as to the use of Company promotional materials, the prevention of promotional activities not consistent with a product's approved labeling, interactions with physicians who are speakers at Company-sponsored programs and the use of prescribing information and other product data.

The Company has established a specific annual dollar limit on educational items, promotional materials and other items or activities provided to individual healthcare professionals. Such limit is set forth on Schedule A of this Comprehensive Compliance Program.

Specific guidance is furnished to all marketing and sales personnel through distribution of the Company's "COMPASS Promotional Guidelines Compliance Manual" and periodic updates and supplements, as well as through the Company's periodic training programs.

#### **4. Compliance Committee; Compliance Officer**

The Company has established a Compliance Committee chaired by the Company's Chief Compliance Officer. The Compliance Committee includes senior management from various corporate departments and functions (including marketing, sales administration, compliance, contract operations, regulatory affairs, quality assurance, human resources, internal audit and legal counsel), and other Company personnel are invited to participate from time to time as specific issues warrant. The Committee meets approximately every six weeks to review issues related to the Comprehensive Compliance Program, establish and approve compliance policies and provide support, guidance and advice to the Company's Chief Compliance Officer and the Compliance Program. The Compliance Committee reports to the Board of Directors.

The Chief Compliance Officer reports directly to the President and functionally to the Senior Vice President and Director of Operations of the Company. The primary responsibilities of the Chief Compliance Officer include but are not limited to:

- a) oversight of the day-to-day operations of the Comprehensive Compliance Program
- b) developing and implementing, with the approval of the Compliance Committee, policies, procedures and practices to implement and administer the Comprehensive Compliance Program
- c) assessing, developing and implementing the Company's compliance training activities including the dissemination of guidelines and well publicized policies and disciplinary guidelines
- d) monitoring the Company's Employee Hotlines with respect to compliance matters under the Comprehensive Compliance Program and relaying these matters to the Compliance Committee
- e) investigation of matters related to compliance, including recommendations and oversight of any disciplinary actions required
- f) establishing and executing adequate auditing and monitoring processes to assure adherence

## **5. Compliance Training and Education**

Each newly hired sales or commercial operations employee receives a copy of the Company's COMPASS Promotional Guidelines Training Manual applicable to his or her area of responsibility and agrees electronically to comply with the Company's Comprehensive Compliance Program. All participants are formally trained in a minimum of one introductory Compliance Overview training. All participants sign a verification of participation in this session and are given opportunities to ask questions.

Follow-up training is regularly provided to all employees who have sales and marketing responsibilities every 6 to 12 months. Follow-up training includes live training components at employee meetings, computer-based training and assessments and ongoing regular bulletins, letters, voice messages and publications. Follow-up training also includes the receipt of periodic updates to the COMPASS manual and supplemental compliance materials and the signing of an acknowledgement form certifying that each employee has received and agrees to read the COMPASS Manual and updates and to conform to the Company's Compliance Program requirements.

## **6. Communication**

Employees are encouraged to openly and candidly communicate with respect to compliance issues and concerns in a timely manner. Any actual or perceived communication problem should be reported to supervisory personnel, the Human Resources Department, the Chief Compliance Officer or to the Audit Committee of the Company's Board of Directors.

## **7. Employee Hotlines**

In addition to other complaint or reporting procedures set forth, the Company operates three confidential toll-free Employee Hotlines to help ensure that ethical and legal violations are properly reported and thoroughly investigated:

### a) Promotional and Marketing Practices Compliance Hotline

This hotline operates with a purpose of promoting a culture of adherence to ethical business practices related to the sales, marketing and contracting of Forest promoted products and to provide the tools with which to do so. The hotline acts as a resource for the interpretation of industry guidelines and laws as well as being used to report any suspicion or knowledge of non-compliance.

1-888-430-5227 (ext. 7171) or 212-224-7171

### b) Audit Committee Hotline

This hotline operates with the purpose of maintaining confidence in the accuracy and honesty of our financial reporting. This hotline provides a forum for reporting accounting or auditing irregularity. Reports or Complaints can be made anonymously to a third-party provider and will be delivered to the Audit Committee, which has the authority to investigate reports made to the hotline.

1-800-461-0825

### c) Human Resources Compliance Hotline

This hotline operates with the purpose of reporting wrongdoings or violations of legal or ethical policies, such as discrimination and/or harassment based on national origin, religion, sex and/or sexual orientation, age, disability or other characteristics protected by law, and any retaliation threatened in connection with reporting such violations.

1-800-461-0825

Calls to these Hotlines are answered by trained personnel and monitored daily. Calls may be made on an anonymous and/or confidential basis.

Information from each call will be communicated to the appropriate Company personnel, depending on the nature of the issue or concern raised. All calls are otherwise kept confidential to the extent permitted by law. All reports of improper conduct will be reviewed and investigated and action will be taken as appropriate.

### **8. Non-Retaliation**

It is the Company's policy that no retaliation be taken against any employee for raising concerns or issues of legal, regulatory or policy compliance. The taking of any such retaliation by any employee, officer or director is grounds for disciplinary action.

### **9. Audit**

The Chief Compliance Officer, the Company's internal audit department, and other personnel with compliance or audit responsibilities periodically monitor and audit the Company's activities to assure compliance with the Comprehensive Compliance Program. Measures include periodic reviews of financial and other records of the Company related to interactions with healthcare professionals, audits of sample distribution and reporting and monitoring of employee training participation.

Audits, results, corrective actions and follow-up are reported regularly to the Compliance Committee.

### **10. Investigation; Disciplinary Action**

Investigations of compliance-related issues are overseen by the Chief Compliance Officer and the Company's Human Resources Department. Disciplinary actions, ranging from warnings up to and including termination, are determined on a case-by-case basis and applied consistently in light of the nature and severity of the violation.

### **11. Availability of Program: Annual Declaration of Compliance**

A copy of this Comprehensive Compliance Program can be downloaded from the Company website and is also made available to any interested person.

In accordance with Section 119402(e) of the California Health & Safety Code, the Company will post an Annual Declaration of Compliance on its website at the beginning of each calendar year.

Requests for copies of this Program and the Annual Declaration of Compliance (upon posting) may be made by calling the Compliance Hotline toll-free at 1-888-430-5227 ext. 7171, direct at 212-224-7171 or e-mailing [sales.compliance@frx.com](mailto:sales.compliance@frx.com)

**Forest Laboratories, Inc. - Annual Declaration of Compliance**

As part of Forest Laboratories' continuing commitment to maintaining the highest standards of business ethics and conduct, Forest has posted a Comprehensive Compliance Program (CCP), as required by California Law. Forest declares, as required by section 119402(e) of the California Health and Safety Code, that to the best of its knowledge it is, in all material respects, in substantial compliance with its CCP and the requirements of the California Health and Safety Code sections §§119400-119402.

Copies of this declaration and the Comprehensive Compliance Program can be downloaded from the Company website. Requests for copies can also be obtained by calling the Compliance Hotline toll-free at 1-888-430-5227 ext. 7171, direct at 212-224-7171 or e-mailing [sales.compliance@frx.com](mailto:sales.compliance@frx.com)

Forest Laboratories, Inc.

February 18, 2011