

AMENDMENT TO THE ACQUISITION SUPPORT AGREEMENT

This amendment (the "**Agreement**") dated September 30, 2011 to the acquisition support agreement (the "**Support Agreement**") dated August 30, 2011 among 1625907 Alberta Ltd. (the "**Offeror**"), Afexa Life Sciences Inc. (the "**Company**") and Valeant Pharmaceuticals International, Inc. (the "**Parent**").

WHEREAS:

- A. Pursuant to the Support Agreement the Offeror agreed to make, and the Company agreed to support, an offer (the "**Offer**") to acquire all of the issued and outstanding common shares of the Company (together with the associated rights issued under the Shareholder Rights Plans (as defined in the Support Agreement), the "**Common Shares**");
- B. On September 9, 2011, the Offeror mailed the Offer;
- C. The Offeror desires to pursue the acquisition of the Company as contemplated by the Support Agreement by amending the Offer in accordance with the terms and conditions contained herein (the "**Amended Offer**");
- D. The Board of Directors of the Company has determined, after receiving financial and legal advice, that it is in the best interests of the Company and the Shareholders to continue to support the Offer, as amended hereby;

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereto covenant and agree as follows:

1 Defined Terms

Capitalized terms used in this Agreement that are not defined herein shall have the meanings given to them in the Support Agreement.

2 Increased Consideration per Common Share

The Offeror shall increase the consideration offered to Shareholders under the Offer from \$0.71 in cash per Common Share to \$0.85 in cash per Common Share.

3 Amendments to the Support Agreement

The Support Agreement is amended as follows:

- 3.1 *By deleting in its entirety the definition of Effective Time from Section 1.1 of the Support Agreement and replacing it by the following:*

"Effective Time" means the time that the Offeror shall have taken up and paid for, pursuant to the Offer, such number of Common Shares equal to 50.01% of the outstanding Common Shares on a Fully-Diluted Basis"

- 3.2 *By deleting in its entirety the definition of Minimum Tender Condition from Section 1.1 of the Support Agreement.*
- 3.3 *By deleting in its entirety the definition of Pre-Acquisition Reorganization from Section 1.1 of the Support Agreement.*
- 3.4 *By deleting "\$0.71" in Section 2.1(a) of the Support Agreement and replacing it with "\$0.85".*
- 3.5 *By inserting the words "including, without limitation," between "under the Offer" and "if the conditions set forth in Schedule A" in Section 2.1(c) of the Support Agreement.*
- 3.6 *By deleting Section 2.1(h)(i) of the Support Agreement in its entirety.*
- 3.7 *By replacing the words "but the Minimum Tender Condition has been satisfied" by "but the Offeror has taken up and paid for, pursuant to the Offer, such number of Common Shares equal to or in excess of 66 2/3% of the outstanding Common Shares on a Fully-Diluted Basis" in Section 2.5(b) of the Support Agreement.*
- 3.8 *By deleting the words "(other than a Pre-Acquisition Reorganization)" from Section 5.1(k) of the Support Agreement.*
- 3.9 *By deleting Section 2.12 of the Support Agreement in its entirety and replacing it with the following:*

"The Company acknowledges that, promptly upon the take-up and payment by the Offeror pursuant to the Offer of such number of Common Shares equal to or in excess of 50.01% of the outstanding Common Shares on a Fully-Diluted Basis and from time to time thereafter, the Offeror shall, subject to compliance with Law and stock exchange requirements, be entitled to designate a number of directors of the Board of Directors, and any members of committees thereof, determined on a pro rata basis based on the proportion of the Common Shares on a Fully-Diluted Basis then held or controlled by the Offeror, such number of directors or members of committees rounded up to the nearest whole number. For example, to the extent that the Offeror controls 73% of the outstanding Common Shares of the Company on a Fully-Diluted Basis and the board of directors is composed of 8 directors, the Offeror shall be entitled to designate 6 of such directors. The Company shall not frustrate the attempts of the Offeror to do so and covenants to co-operate with the Offeror, subject to applicable Law and stock exchange requirements, to enable the designees of the Offeror to be elected or appointed to the Board of Directors, and any committees thereof and to constitute the applicable percentage of directors or members of committees, including, without limitation, at the request of the Offeror, by using its commercially reasonable efforts to increase the size of the Board of Directors and commercially reasonable efforts to secure the resignations of existing directors.

The provisions of this Section 2.12 shall not affect the Offeror's right to propose such number of nominees for election to the Board of Directors and to exercise the voting rights attached to the

Offeror's Common Shares at any meeting of the shareholders of the Company at which directors are to be elected, as the Offeror determines in its sole discretion."

3.10 *By deleting Section 6.2(a) of the Support Agreement in its entirety and replacing it by the following:*

"If a Termination Fee Event occurs, the Company shall pay to the Offeror by wire transfer in immediately available funds to an account specified by Offeror an amount (the "**Termination Fee**") equal to \$4,500,000."

3.11 *By deleting Section 6.2(b)(iii) of the Support Agreement in its entirety and replacing it by the following:*

"on or after the date hereof and prior to the Expiry Time, an Acquisition Proposal (including, for greater certainty, an amendment to the offer made by Paladin Labs Inc. on August 10, 2011) is publicly announced or any Person has publicly announced an intention to make an Acquisition Proposal (including, for greater certainty, an amendment to the offer made by Paladin Labs Inc. on August 10, 2011), and such Acquisition Proposal has not expired, been withdrawn or been publicly abandoned, and (A) the Offeror has not taken up and paid for, pursuant to the Offer, such number of Common Shares equal to at least 50.01% of the outstanding Common Shares on a Fully-Diluted Basis, and (B) an Acquisition Proposal is or shall have been consummated no later than the date that is nine (9) months following the Expiry Time, in which case the Termination Fee shall be paid to the Offeror concurrently with the consummation of such Acquisition Proposal; provided that for the purposes of clause (B) of this Section 6.2(b)(iii) only, the definition of "Acquisition Proposal" shall have the meaning assigned to such term in Section 1.1 of this Agreement, except that:

(X) references to "20% or more of any voting or equity securities of the Company" in subparagraph (a) of the definition of "Acquisition Proposal" shall be replaced by: "a percentage of outstanding securities of any class of voting or equity securities of the Company which is equal to or greater than the percentage of outstanding securities of any class of voting or equity securities of the Company taken up and paid for by the Offeror pursuant to the Offer"; and

(Y) any take-over bid, tender offer or exchange offer for any class of voting or equity securities of the Company referenced in subparagraph (b) of the definition of "Acquisition Proposal" shall only be deemed to be consummated for the purposes of clause (B) of this Section 6.2(b)(iii) where the Person making such take-over bid, tender offer or exchange offer, together with any Persons acting jointly or in concert with such Person, acquires a percentage of outstanding securities of any class of voting or equity securities of the Company under the take-over bid, tender offer or exchange offer which, together with other voting or equity securities beneficially owned by such Person or any Persons acting jointly or in concert with such Person, is equal to or greater than the percentage of outstanding securities of any class of voting or equity securities of the Company taken up and paid for by the Offeror pursuant to the Offer."

3.12 *By deleting Sections 6.8 and 6.9 of the Support Agreement in their entirety.*

3.13 *By deleting in its entirety paragraph (a) of Schedule A of the Support Agreement.*

3.14 *By removing «Effective Time» and replacing it by "Expiry Time" in paragraph (c) of Schedule A of the Support Agreement.*

4 Lock-Up Agreements

The Company shall use commercially reasonable efforts to assist the Offeror in obtaining lock-up agreements from [*Identities of shareholders redacted*] who own or exercise control or direction over Common Shares, on substantially the same terms as the lock-up agreements executed on August 30, 2011 (each, a "**Lock-up Agreement**").

The Company shall use commercially reasonable efforts to assist the Offeror in obtaining written confirmation from each Shareholder party to a Lock-up Agreement that such agreement remains in full force and effect with respect to the Amended Offer.

5 Amended Offer

The Offeror shall vary the Offer in accordance with this Agreement and shall mail the Amended Offer by way of a notice of variation of the Offer (the "**Notice of Variation**") in compliance with Securities Laws as soon as reasonably practicable after the date of this Agreement.

6 Company Approval of the Amended Offer

The Company hereby represents and warrants, and acknowledges that the Offeror and the Parent are relying upon such representations and warranties in entering into this Agreement, that as of the date of this Agreement:

- a) the Board of Directors has received an oral Fairness Opinion to the effect that, as of the date hereof, the consideration to be offered for Common Shares under the Amended Offer is fair, from a financial point of view, to all Shareholders (other than the Offeror, the Parent and their respective Affiliates), and confirmation from Scotia Capital Inc. that it will deliver a written Fairness Opinion to the Board of Directors dated the date of the oral Fairness Opinion on or before the date of the Notice of Change (as defined below);
- b) the Board of Directors has unanimously determined, upon the recommendation of the Special Committee, and after consultation with their financial and legal advisors, that the consideration to be offered for Common Shares pursuant to the Amended Offer is fair to all Shareholders (other than the Offeror, the Parent and their respective Affiliates), that it would be in the best interests of the Company to support and facilitate the Amended Offer and enter into this Agreement and recommend that Shareholders tender their Common Shares to the Amended Offer and reject the offer made by Paladin Labs Inc.; and
- c) the Company covenants to prepare and mail a notice of change to its Directors' Circular (the "**Notice of Change**") relating to the Amended Offer which shall reflect the foregoing determinations and recommendation in compliance with Securities Laws as soon as

reasonably practicable after the date of this Agreement, provided that arrangements shall be made between the Offeror and the Company to mail the Notice of Variation and the Notice of Change concurrently and in a single package sent to Shareholders.

7 No Breach

Each of the Offeror, the Parent and the Company confirm that as of the date hereof, it is not in breach of its representations, warranties, covenants, terms or conditions in the Support Agreement.

8 Other Provisions

Except as amended hereby, the Support Agreement shall continue in full force and effect, unamended, in accordance with its terms and provisions as modified by the applicable terms and provisions of this Agreement.

[Remainder of page intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF the Parties have caused this Agreement to be executed as of the date first written above.

1625907 ALBERTA LTD.

Per: "J. Michael Pearson"
Name: J. Michael Pearson
Title: Chairman & CEO

Per: "Robert Chai-Onn"
Name: Robert Chai-Onn
Title: EVP, General Counsel & Corporate Secretary

AFEXA LIFE SCIENCES INC.

Per: "Michael Obert"
Name: Michael Obert
Title: Chief Legal Officer & Senior VP,
Corporate Development

Per: "Allan Cleiren"
Name: Allan Cleiren
Title: CFO, SVP Operations

**VALEANT PHARMACEUTICALS
INTERNATIONAL, INC.**

Per: "J. Michael Pearson"
Name: J. Michael Pearson
Title: Chairman & CEO

Per: "Robert Chai-Onn"
Name: Robert Chai-Onn
Title: EVP, General Counsel & Corporate Secretary