

Purchasing Code of Conduct

Policy Statement

Every employee, officer, director and agent acting on behalf of Forest Laboratories, Inc. and its subsidiaries (Forest) must adhere to purchasing practices that are fair, impartial and without conflicts of interest. Purchasing behaviors and decisions must be in accordance with the letter and spirit of applicable laws, regulations and ethical principles that reflect the highest standards of corporate and individual behavior.

Forest employees, officers, directors and agents engaged in procurement of goods and services shall not realize personal gain in any form which would influence improperly the conduct of their Forest duties, and shall not knowingly use Forest property, funds, position or power for personal gain.

Purchasing Practices and Vendor Relationships

Forest will purchase goods and services solely on the basis of price, quality, safety and value to the Company. Fairness and impartiality must be extended to all legitimate business concerns. While it is desirable to build long-term relationships with our suppliers, such relationships must not prevent the establishment of similar working relationships with other suppliers.

Conflicts of Interest

A conflict of interest arises when personal, social, financial or political interest is put before the interest of the Company. Employees must be scrupulous in preventing conflicts of interest and avoiding circumstances through which they may arise or that could cast doubt or the appearance of doubt on an employee's ability to act with total objectivity with regard to the interests of Forest. Employees shall inform their supervisor, the appropriate Forest contracting officer and the supplier of any reasonably foreseen or emerging potential conflicts.

The following are examples of such circumstances:

1. Employees and members of their family shall not accept gifts, gratuities, entertainment, travel or hospitality from a supplier. Dinners and luncheons which provide a continuity of business discussions are allowed as a time-saving expediency. Gifts of inconsequential value such as calendars, pens, note pads, appointment books, may be accepted in circumstances where such minor gifts are customary.
2. Employees or members of their family may not receive fees, commissions or other compensation from a supplier.

3. Employees may not knowingly purchase goods or services from a company owned or controlled by, or whose sales contact with Forest is, an employee or relative of an employee of Forest unless such relationship has been previously disclosed to appropriate levels of management.
4. Employees who have a financial interest in another entity, or who act as a director, officer, partner, employer, agent, or consultant, for another entity, may not influence or attempt to influence any business transaction between the Company and such entity.
5. Employees shall not solicit favors or contributions from suppliers or customers for any nonprofit or charitable organization in which they or members of their family have an interest, except when on behalf of and when requested by the Company.

In appropriate cases, after full written disclosure of the facts, an exception to the foregoing standards may be authorized by the employee's supervisor under guidelines approved by the Board of Directors or committees of the Board.

Conduct by an employee that violates Forest's policies, regulations or rules pertaining to conflicts of interest may lead to disciplinary action. Forest's Conflict of Interest Policy should be consulted for further details.

Employee Liability

Any employee who commits Forest to a purchase, sale, lease or other arrangement without proper authorization may be personally liable for the transaction. Forest Procurement Managers, Commodity Specialists, Buyers and any other Forest employee acting in a procurement capacity may be liable for damages to Forest if they injure Forest through willful misconduct, bad faith, dishonesty or criminal negligence.

Corporate Responsibility and Interpretation

Forest's Corporate Counsel is responsible for the interpretation of this policy, with the assistance and guidance of Human Resources. If any employee or other person has any question regarding this policy and its application to any area of the Company, they are requested to contact their HR Representative.