

## Code of Business Conduct and Ethics

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### 1. Complying 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.

Such legal compliance shall include, without limitation, compliance with the "insider trading" prohibitions applicable to the Company and its employees, officers and directors. Generally, employees, officers and directors who have access to or knowledge of confidential or non-public information from or about the Company are not permitted to buy, sell or otherwise trade in the Company's securities, whether or not they are using or relying upon that information. This restriction extends to sharing or tipping others about such information, especially since the individuals receiving such information might utilize such information to trade in the Company's securities. In addition, the Company has implemented trading restrictions to reduce the risk, or appearance, of insider trading. Company employees, officers and directors are directed to the Company's *Policy Prohibiting Insider Trading* if they have questions regarding the applicability of such insider trading prohibitions. In addition, employees, officers and directors are encouraged to speak with Forest's Vice President, Finance and CFO, at (212) 224-6611 or the Stock Option Plan Administrator, at (212) 224-6614, if questions are not readily resolved.

This Code of Business Conduct and Ethics does not summarize all laws, rules and regulations applicable to the Company and its employees, officers and directors. Please consult a supervisor, manager or other appropriate personnel and the various guidelines which the Company has prepared with respect to specific laws, rules and regulations.

### 2. Conflicts of Interest

All employees, officers and directors of the Company must be scrupulous in avoiding any conflict of interest with regard to the Company's interests. A "conflict of interest" exists whenever an individual's private interests interfere or conflict in any way (or even appear to interfere or conflict) with the interests of the Company. A conflict situation can arise when an employee, officer or director takes actions or has interests that may make it difficult to perform his or her Company work objectively and effectively. Conflicts of interest may also include, but are not limited to, situations where an employee, officer or director, or members of his or her family, receives improper personal benefits as a result of his or her position in the Company, whether received from the Company or a third party. Loans to, or guarantees of obligations of, employees and directors and their respective family members may create conflicts of interest. Federal law prohibits loans to directors and executive officers.

Conflicts of interest are prohibited as a matter of Company policy, except under guidelines approved by the Board of Directors or committees of the Board. Conflicts of interest may not always be clear-cut, so if you have a question, you should consult with higher levels of management. Any employee, officer or director who becomes aware of a conflict or potential conflict must bring it to the attention of a supervisor, manager or other appropriate personnel.

Any violation of this policy will result in disciplinary action up to and including dismissal.

### **3. Interactions with Healthcare Professionals**

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, Forest's Policy for Appropriate Promotional Activities with Healthcare Professionals, the guidelines of the American Medical Association and other guidelines which may be announced from time to time by recognized medical organizations.

### **4. Corporate Opportunity**

Employees, officers and directors are prohibited from: (a) taking for themselves personally opportunities that properly belong to the Company or are discovered through the use of corporate property, information or position; (b) using corporate property, information or position for personal gain; and (c) competing with the Company. Employees, officers and directors owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises.

### **5. Confidentiality**

Employees, officers and directors of the Company must maintain the confidential information entrusted to them by the Company or its suppliers or customers, except when disclosure is authorized by the Company or required by laws, regulations or legal proceedings. Employees, officers and directors should consult a senior executive officer if they believe they have a legal obligation to disclose confidential information. Confidential information includes all non-public information that might be of use to competitors of the Company, or harmful to the Company or its customers if disclosed.

### **6. Fair Dealing**

Each employee, officer and director should endeavor to deal fairly with the Company's customers, suppliers, competitors, officers and employees. None should take the unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice.

### **7. Protection and Proper Use of Company Assets**

All employees, officers and directors should protect the Company's assets and ensure their safe and efficient use. Theft, carelessness, and waste have a direct impact on the Company's profitability. All Company assets should be used for legitimate business purposes.

## **8. Accounting Complaints**

The Company's policy is to comply with all applicable financial reporting and accounting laws and regulations. If any employee, officer or director of the Company has concerns or complaints regarding questionable accounting or auditing matters of the Company, then he or she is encouraged to submit those concerns or complaints (anonymously, confidentially or otherwise) to the Audit Committee of the Board of Directors which will, subject to its duties arising under applicable law, regulations and legal proceedings, treat such submissions confidentially. Such submissions may be directed to the attention of the Audit Committee, or any director who is a member of the Audit Committee, at the principal executive offices of the Company.

## **9. Reporting any Illegal or Unethical Behavior**

Employees are encouraged to talk to supervisors, managers or other appropriate personnel about observed illegal or unethical behavior and, when in doubt, about the best course of action in a particular situation. Employees, officers and directors who are concerned that violations of this Code or that other illegal or unethical conduct by employees, officers or directors of the Company have occurred or may occur should either contact their supervisor or superiors. If they do not believe it appropriate or are not comfortable approaching their supervisors or superiors about their concerns or complaints, then they may contact the Audit Committee of the Board of Directors of the Company, the Human Resources Compliance Hotline or the Marketing and Promotional Practices Compliance Hotline, as appropriate. If concerns or complaints require confidentiality, including maintaining the anonymity of the reporter, then this confidentiality and anonymity will be protected to the extent practicable, subject to applicable law, regulation or legal proceedings.

## **10. No Retaliation**

The Company will not permit retaliation of any kind by or on behalf of the Company and its employees, officers and directors against good faith reports or complaints of violations of this Code or other illegal or unethical conduct.

## **11. Public Company Reporting**

As a public company, it is of critical importance that the Company's filings with the Securities and Exchange Commission be accurate and timely. Depending on their position with the Company, an employee, officer or director may be called upon to provide necessary information to assure that the Company's public reports are complete, fair and understandable. The Company expects employees, officers and directors to take this responsibility very seriously and to provide prompt accurate answers to inquiries relating to the Company's public disclosure requirements.

## **12. Amendment, Modification and Waiver**

This Code may be amended, modified or waived only by the Board of Directors and waivers may also be granted by the Company's Nominating and Governance Committee, subject to applicable laws and regulations, including without limitation the disclosure and other provisions of the Securities Exchange Act of 1934, and the rules thereunder and the applicable rules of the New York Stock Exchange.

### **13. Accountability**

Violations of any provision of this Code by an employee, officer or director which have not been the subject of specific waivers by the Board of Directors or the Nominating and Governance Committee shall be deemed serious infractions by such employee, officer or director of his or her duties to the Company and shall result in disciplinary action.