

PLAN OF ALLOCATION OF NET SETTLEMENT FUND AMONG CLASS MEMBERS

The \$138 million cash Settlement Amount and the interest earned thereon shall be the Gross Settlement Fund. The Gross Settlement Fund, less all Taxes, approved costs, fees and expenses (the “Net Settlement Fund”) shall be distributed to members of the Class who submit acceptable Proofs of Claim (“Authorized Claimants”).

The Claims Administrator shall determine each Authorized Claimant’s *pro rata* share of the Net Settlement Fund based upon each Authorized Claimant’s “Recognized Claim.” The Recognized Claim formula is not intended to be an estimate of the amount of what a Class Member might have been able to recover after a trial; nor is it an estimate of the amount that will be paid to Authorized Claimants pursuant to the Settlement. The Recognized Claim formula is the basis upon which the Net Settlement Fund will be proportionately allocated to the Authorized Claimants.

An Authorized Claimant’s “Recognized Claim” will be calculated for purposes of the Settlement as follows:

1. For shares of common stock purchased between February 7, 2003 and October 2, 2003, and:
 - A. sold between February 7, 2003 and October 2, 2003, the Recognized Claim shall be zero.
 - B. sold between October 3, 2003 and October 7, 2003, the Recognized Claim shall be the lesser of:
 - (1) \$2.87 per share; or
 - (2) the difference between the purchase price per share and the sales price per share for each share sold.
 - C. sold between October 8, 2003 and October 13, 2003, the Recognized Claim shall be the least of:
 - (1) \$6.47 per share; or
 - (2) \$2.87 + the difference between \$29.05 and sales price per share; or
 - (3) the difference between the purchase price per share and the sales price per share for each share sold.
 - D. sold between October 14, 2003 and October 29, 2003, the Recognized Claim shall be the lesser of:
 - (1) \$2.87 per share; or
 - (2) the difference between the purchase price per share and the sales price per share for each share sold.
 - E. sold between October 30, 2003 and November 20, 2003, the Recognized Claim shall be the lesser of:
 - (1) \$3.75 per share; or
 - (2) the difference between the purchase price per share and the sales price per share for each share sold.
 - F. sold between November 21, 2003 and March 2, 2004, the Recognized Claim shall be the lesser of:
 - (1) \$7.83 per share; or
 - (2) the difference between the purchase price per share and the sales price per share for each share sold.
 - G. retained at the end of trading on March 2, 2004, the Recognized Claim shall be the lesser of:
 - (1) \$8.27 per share; or
 - (2) the difference between the purchase price per share and \$18.60.¹
2. For shares of common stock purchased between October 3, 2003 and October 7, 2003, and:
 - A. sold between October 3, 2003 and October 7, 2003, the Recognized Claim shall be zero.
 - B. sold between October 8, 2003 and October 13, 2003, the Recognized Claim shall be the least of:
 - (1) \$3.61 per share; or
 - (2) the difference between \$29.05 and sales price per share; or
 - (3) the difference between the purchase price per share and the sales price per share for each share sold.
 - C. sold between October 14, 2003 and October 29, 2003, the Recognized Claim shall be zero.
 - D. sold between October 30, 2003 and November 20, 2003, the Recognized Claim shall be the lesser of:
 - (1) \$0.88 per share; or
 - (2) the difference between the purchase price per share and the sales price per share for each share sold.

¹ The March 3, 2004 closing price (\$ US) of Biovail common stock.

- E. sold between November 21, 2003 and March 2, 2004, the Recognized Claim shall be the lesser of:
 - (1) \$4.96 per share; or
 - (2) the difference between the purchase price per share and the sales price per share for each share sold.
 - F. retained at the end of trading on March 2, 2004, the Recognized Claim shall be the lesser of:
 - (1) \$5.40 per share; or
 - (2) the difference between the purchase price per share and \$18.60.
3. For shares of common stock purchased between October 8, 2003 and October 29, 2003, and:
- A. sold between October 8, 2003 and October 29, 2003, the Recognized Claim shall be zero.
 - B. sold between October 30, 2003 and November 20, 2003, the Recognized Claim shall be the lesser of:
 - (1) \$0.88 per share; or
 - (2) the difference between the purchase price per share and the sales price per share for each share sold.
 - C. sold between November 21, 2003 and March 2, 2004, the Recognized Claim shall be the lesser of:
 - (1) \$4.96 per share; or
 - (2) the difference between the purchase price per share and the sales price per share for each share sold.
 - D. retained at the end of trading on March 2, 2004, the Recognized Claim shall be the lesser of:
 - (1) \$5.40 per share; or
 - (2) the difference between the purchase price per share and \$18.60.
4. For shares of common stock purchased between October 30, 2003 and November 20, 2003, and:
- A. sold between October 30, 2003 and November 20, 2003, the Recognized Claim shall be zero.
 - B. sold between November 21, 2003 and March 2, 2004, the Recognized Claim shall be the lesser of:
 - (1) \$4.08 per share; or
 - (2) the difference between the purchase price per share and the sales price per share for each share sold.
 - C. retained at the end of trading on March 2, 2004, the Recognized Claim shall be the lesser of:
 - (1) \$4.52 per share; or
 - (2) the difference between the purchase price per share and \$18.60.
5. For shares of common stock purchased between November 21, 2003 and March 2, 2004, and:
- A. sold between November 21, 2003 and March 2, 2004, the Recognized Claim shall be zero.
 - B. retained at the end of trading on March 2, 2004, the Recognized Claim shall be the lesser of:
 - (1) \$0.44 per share; or
 - (2) the difference between the purchase price per share and \$18.60.

In the event a Class Member has more than one purchase or sale of Biovail common stock, all purchases and sales shall be matched on a First In First Out (“FIFO”) basis, Class Period sales will be matched first against any Biovail shares held at the beginning of the Class Period and then against purchases in chronological order, beginning with the earliest purchase made during the Class Period. A purchase or sale of Biovail common stock shall be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date. The receipt or grant by gift, devise or operation of law of Biovail common stock during the Class Period shall not be deemed a purchase or sale of Biovail common stock for the calculation of an Authorized Claimant’s Recognized Claim nor shall it be deemed an assignment of any claim relating to the purchase of such Biovail shares unless specifically provided in the instrument of gift or assignment and the original purchase occurred during the Class Period. The receipt of Biovail common stock during the Class Period in exchange for securities of any other corporation or entity shall not be deemed a purchase or sale of Biovail common stock.

To the extent a Claimant had a gain from his, her or its overall transactions in Biovail common stock during the Class Period, the value of the Recognized Claim will be zero. Such Claimants will in any event be bound by the Settlement. To the extent that a Claimant suffered an overall loss on his, her or its overall transactions in Biovail common stock during the Class Period, but that loss was less than the Recognized Claim calculated above, then the

Recognized Claim shall be limited to the amount of the actual loss.

For purposes of determining whether a Claimant had a gain from his, her or its overall transactions in Biovail common stock during the Class Period or suffered a loss, the Claims Administrator shall: (i) total the amount paid for all Biovail common stock purchased during the Class Period by the Claimant (the "Total Purchase Amount"); (ii) match any sales of Biovail common stock during the Class Period first against the Claimant's opening position in the stock (the proceeds of those sales will not be considered for purposes of calculating gains or losses); (iii) total the amount received for sales of the remaining shares of Biovail common stock sold during the Class Period (the "Sales Proceeds"); and (iv) ascribe an \$18.60 per share holding value for the number of shares of Biovail common stock purchased during the Class Period and still held at the end of the Class Period ("Holding Value"). The difference between the Total Purchase Amount ((i) above) and the sum of the Sales Proceeds and the Holding Value ((iii) plus (iv) above) will be deemed a Claimant's gain or loss on his, her or its overall transactions in Biovail common stock during the Class Period.

Each Authorized Claimant shall be allocated a *pro rata* share of the Net Settlement Fund based on his, her or its Recognized Claim as compared to the total Recognized Claims of all Authorized Claimants. A payment to an Authorized Claimant of less than \$10 in total will not be included in the calculation and will not be distributed.

Class Members who do not submit acceptable Proofs of Claim will not share in the Settlement proceeds. Class Members who do not either submit a request for exclusion or submit an acceptable Proof of Claim will nevertheless be bound by the Settlement and the Judgment of the Court dismissing this Action.

Distributions will be made to Authorized Claimants after all claims have been processed and after the Court has finally approved the Settlement. If any funds remain in the Net Settlement Fund by reason of un-cashed distributions or otherwise, then, after the Claims Administrator has made reasonable and diligent efforts to have Class Members who are entitled to participate in the distribution of the Net Settlement Fund cash their distributions, any balance remaining in the Net Settlement Fund one (1) year after the initial distribution of such funds shall be re-distributed to Class Members who have cashed their initial distributions and who would receive at least \$10.00 from such re-distribution, after payment of any unpaid costs or fees incurred in administering the Net Settlement Fund for such re-distribution. If after six months after such re-distribution any funds shall remain in the Net Settlement Fund, then such balance shall be contributed to non-sectarian, not-for-profit, 501(c)(3) organization(s) designated by Plaintiffs' Co-Lead Counsel after notice to the Court and subject to direction, if any, by the Court.

Plaintiffs, Defendants, their respective counsel, and all other Released Parties shall have no responsibility for or liability whatsoever for the investment or distribution of the Settlement Amount, the Net Settlement Fund, the Plan of Allocation or the determination, administration, calculation, or payment of any Proof of Claim or non-performance of the Claims Administrator, the payment or withholding of Taxes owed by the Gross Settlement Fund or any losses incurred in connection therewith.