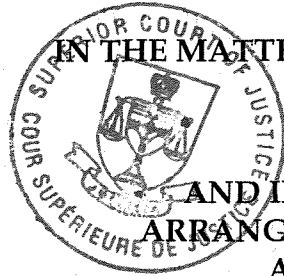


ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.) FRIDAY, THE 7TH
)
JUSTICE DUNPHY) DAY OF DECEMBER, 2018



IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF ARALEZ PHARMACEUTICALS INC. AND
ARALEZ PHARMACEUTICALS CANADA INC.

Applicants

ARALEZ CANADA CCAA TERMINATION ORDER

THIS MOTION, made by Aralez Pharmaceuticals Inc. ("API") and Aralez Pharmaceuticals Canada Inc. ("Aralez Canada" and, together with API, the "Applicants"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"), for an Order, among other things, terminating the CCAA proceedings in respect of Aralez Canada upon the filing by Richter Advisory Group Inc. ("Richter") in its capacity as Monitor of the Applicants (the "Monitor") of a certificate confirming the occurrence of the Aralez Canada CCAA Termination Time (as defined below) and granting the other relief set out herein, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Motion Record of the Applicants filed in respect of this motion and the Fifth Report of the Monitor, and on hearing the submissions of counsel for the Applicants, the Monitor, Deerfield Management Company L.P. ("Deerfield"), and Nuvo Pharmaceuticals Inc. (the "Purchaser"), no one appearing for any other

person on the service list, although properly served as appears from the affidavit of service filed:

SERVICE

1. **THIS COURT ORDERS** that the time and method of service and notice of this Motion is hereby abridged and validated and that this Motion is properly returnable today without further service or notice thereof.

DEFINED TERMS

2. **THIS COURT ORDERS** that capitalized terms used and not defined herein shall have the meanings given to them in the share purchase agreement (the "**Share Purchase Agreement**") among API, as vendor, Aralez Canada, as the corporation, and the Purchaser dated September 18, 2018, as amended.

TERMINATION OF ARALEZ CANADA CCAA PROCEEDINGS AND RELATED PROVISIONS

3. **THIS COURT ORDERS** that effective at the date and time (the "**Aralez Canada CCAA Termination Time**") on which the Monitor delivers the Monitor's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "**Monitor's Certificate**") these proceedings as they relate solely to Aralez Canada shall be automatically terminated and the Initial Order dated August 10, 2018, as amended and restated (the "**Initial Order**") shall have no further force or effect in respect of Aralez Canada. Without limiting the generality of the foregoing, at the Aralez Canada CCAA Termination Time: (a) the stay of proceedings in respect of Aralez Canada and its Property (as defined in the Initial Order) pursuant to paragraphs 14 and 15 of the Initial Order shall be lifted; and (b) subject to paragraph 19 below, Richter shall be discharged as Monitor of Aralez Canada and shall have no further obligations, responsibilities, duties or rights as Monitor in respect of Aralez Canada.

4. **THIS COURT ORDERS AND DIRECTS** the Monitor to: (a) file with the Court a copy of the Monitor's Certificate, forthwith after delivery thereof; and (b) serve a copy of the Monitor's Certificate on the service list in these proceedings forthwith after delivery thereof.

5. **THIS COURT ORDERS** that effective at the Aralez Canada CCAA Termination Time the style of cause in the within proceedings be and is hereby amended as follows:

**IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF ARALEZ PHARMACEUTICALS INC.**

6. **THIS COURT ORDERS** that at the Aralez Canada CCAA Termination Time the Charges (as defined in the Initial Order, including the Bid Protections Charge as defined in the Order (Re Bidding Procedures) dated October 10, 2018 and the Key Employee Charge as defined in the Order (Re KEIP Approval & Related Charge) dated November 28, 2018) shall be fully, unconditionally and automatically terminated, released and discharged as against Aralez Canada and its Property.

7. **THIS COURT ORDERS** that at the Aralez Canada CCAA Termination Time, in accordance with the Deerfield Release Letter, any and all debts, liabilities and obligations of Aralez Canada to Deerfield or any Affiliate thereof shall be fully, finally, irrevocably, unconditionally, automatically and forever terminated, waived, discharged, extinguished, cancelled, barred and released against Aralez Canada and its Property; provided that nothing in this paragraph 7 shall have any effect whatsoever on any debts, liabilities or obligations of any Affiliate of Aralez Canada to Deerfield or any Affiliate of Deerfield.

8. **THIS COURT ORDERS** that at the Aralez Canada CCAA Termination Time, in accordance with the releases delivered pursuant to the Share Purchase Agreement, (a) any and all debts, liabilities and obligations of Aralez Canada to API or any Affiliate thereof shall be fully, finally, irrevocably, unconditionally, automatically and forever terminated, waived, discharged, extinguished, cancelled, barred and released against Aralez Canada and its Property, and (b) any and all debts, liabilities and obligations of API or any Affiliate thereof to Aralez Canada shall be fully, finally, irrevocably, unconditionally, automatically and forever terminated, waived, discharged, extinguished, cancelled, barred and released against API and its Property, and any Affiliate thereof and any of such Affiliate's Property.

9. **THIS COURT ORDERS** that, subject to paragraphs 7 and 8 above, all agreements, contracts, leases or arrangements, whether written or oral to which Aralez Canada is a party (each, an "**Agreement**") at the Aralez Canada CCAA Termination Time shall be and remain in full force and effect as at the Aralez Canada CCAA Termination Time, and that Aralez Canada shall remain entitled to all of its rights, options and benefits under such Agreements.

10. **THIS COURT ORDERS** that any and all Persons, including any and all counterparties to an Agreement, are prohibited and forever stayed, barred, estopped and enjoined from exercising, enforcing or relying on any rights, remedies, claims or benefits (including, without limitation, any contractual termination rights) in respect of or as against (a) the Purchaser or any of its Affiliates, (b) Aralez Canada or its Property, or (c) the respective directors, officers, employees or representatives of the Purchaser or any of its Affiliates or Aralez Canada, in any way arising from or relating to:

- (i) the insolvency of the Applicants prior to the Aralez Canada CCAA Termination Time or the insolvency or bankruptcy of any entity that, prior to the Aralez Canada CCAA Termination Time, was an Affiliate of the Applicants (an "**Existing Affiliate**");

- (ii) the commencement or existence of these proceedings, or any other insolvency, restructuring, administration, bankruptcy or similar proceeding involving the Applicants or any Existing Affiliate (provided that any such proceeding in respect of the Applicants was commenced prior to the Aralez Canada CCAA Termination Time) and, for greater certainty, including any deferral or interruption of payments and any incurrence or creation of charges arising from or relating to any such proceeding; or
- (iii) the entering into and implementation of the Share Purchase Agreement and the Transaction, including, without limitation, as a result of a change of control of Aralez Canada resulting from the completion of the Transaction.

For greater certainty and without limiting the generality of the foregoing, all such Persons are prohibited from exercising, enforcing or relying on any rights or remedies under any Agreement by reason of any restriction, condition or prohibition contained in such Agreement relating to any change of control of Aralez Canada, and at the Aralez Canada CCAA Termination Time are hereby deemed to waive any defaults relating thereto.

11. **THIS COURT ORDERS** that, except as set forth in paragraphs 6, 7, 8, 10 and 12 of this Order, all obligations of Aralez Canada shall remain as unaffected obligations of Aralez Canada upon the Aralez Canada CCAA Termination Time.

CLAIMS BARRED

12. **THIS COURT ORDERS** that capitalized terms used in this paragraph 12 and in paragraphs 19 to 24 of this Order and not defined herein shall have the meanings given to them in the Claims Procedure Order dated October 10, 2018 (the "**Claims Procedure Order**"). Effective upon the Aralez Canada CCAA Termination Time and without limiting the generality of paragraphs 19 and 20 of the Claims Procedure Order, where a

Claim (including, for greater certainty, any Pre-filing Claim, Restructuring Claim or D&O Claim) has not been submitted pursuant to a Proof of Claim and actually received by the Monitor on or before the Claims Bar Date or the Restructuring Claims Bar Date, as applicable, then:

- (a) all Persons holding such a Claim shall be and are hereby forever barred from making or enforcing such Claim against any of Aralez Canada, Aralez Canada's Business (as defined in the Initial Order) and Property, or any Director or Officer;
- (b) no Person shall be entitled to receive any payment, distribution or other consideration in respect of such Claim from Aralez Canada or any other Person, whether prior to, on or after Closing; and
- (c) such Claim shall be fully, finally, irrevocably and forever waived, discharged, extinguished, cancelled, barred and released against Aralez Canada, Aralez Canada's Business and Property, and all Directors and Officers.

APPROVAL OF ACTIVITIES

13. **THIS COURT ORDERS** that the pre-filing Report of the Monitor and the first, second, third, fourth and fifth reports of the Monitor and the activities and conduct of the Monitor referred to therein be and are hereby ratified and approved; provided, however, that only the Monitor in its personal capacity and only with respect to its personal liability, shall be entitled to rely upon or utilize in any way such approvals.

DISCHARGE OF MONITOR AS AGAINST ARALEZ CANADA

14. **THIS COURT ORDERS AND DECLARES** that, subject to paragraph 19 below, the Monitor has duly and properly satisfied, discharged and performed all of its obligations, liabilities, responsibilities and duties in respect of Aralez Canada in

compliance and in accordance with the CCAA, the Initial Order and any other Orders of this Court made in the within proceedings.

15. **THIS COURT ORDERS AND DECLARES** that, subject to paragraph 19 below, effective at the Aralez Canada CCAA Termination Time, the Monitor shall be and is hereby discharged as Monitor of Aralez Canada and shall have no further duties, obligations, or responsibilities as Monitor from and after such time.

16. **THIS COURT ORDERS** that effective at the Aralez Canada CCAA Termination Time the Monitor and its counsel and each of their respective affiliates, officers, directors, partners, employees and agents (collectively, the "**Released Persons**") are hereby released and discharged from any and all claims that any person may have or be entitled to assert against the Released Persons, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the date of this Order in any way relating to, arising out of or in respect of the within proceedings or with respect to their respective conduct in the within proceedings as it relates to Aralez Canada (collectively, the "**Released Claims**"), and any such Released Claims are hereby released, stayed, extinguished and forever barred, and the Released Persons shall have no liability in respect thereof, provided that the Released Claims shall not include: (a) any claim or liability arising out of any gross negligence or wilful misconduct on the part of the Released Parties; and (b) any objection to the fees and disbursements of the Monitor or its counsel, which fees and disbursements shall be passed in accordance with the Initial Order, and nothing herein shall release the Monitor from doing so or estop any person from taking a position on any motion by the Monitor for the approval of its fees and disbursements and those of its legal counsel.

17. **THIS COURT ORDERS** that, notwithstanding any provision of this Order (other than the termination, release and discharge of the Administration Charge (as

defined in the Initial Order) as against Aralez Canada pursuant to paragraph 6 hereof), the termination of the CCAA proceedings as against Aralez Canada, and the discharge of the Monitor as monitor of Aralez Canada, nothing herein shall affect, vary, derogate from, limit, or amend, and the Monitor shall continue to have the benefit of, any of the rights, approvals and protections in favour of the Monitor at law or pursuant to the CCAA, the Initial Order, any other Order of this Court made in the CCAA proceedings or otherwise, all of which are expressly continued and confirmed.

18. **THIS COURT ORDERS** that, except with respect to the approval of the Monitor's fees and disbursements, from and after the Aralez Canada CCAA Termination Time no action or other proceeding may be commenced against any of the Released Persons in any way arising from or related to the CCAA proceedings of Aralez Canada, except with the prior leave of this Court and on seven days' prior written notice to the applicable Released Persons and upon further Order security, as security for costs, for the full indemnity costs of the applicable Released Persons in connection with any proposed action or proceeding as the Court hearing the motion for leave to proceed may deem just and appropriate.

RESOLUTION OF CLAIMS

19. **THIS COURT ORDERS** that, notwithstanding the termination of the CCAA proceedings as they relate to Aralez Canada, API and the Monitor shall continue to oversee the resolution of any Claims filed against Aralez Canada by the Claims Bar Date (the "**Aralez Canada Claims**"), and shall retain the authority to address the Aralez Canada Claims, including without limitation, by admitting or disputing, in whole or in part, any Aralez Canada Claim or bringing a motion to this Court in the name of API and/or the Monitor with respect to the determination of any Aralez Canada Claim; provided that the scheduling (but not the hearing) of any such motions shall occur not later than 45 days following the CCAA Termination Time. Aralez Canada and the

Purchaser shall have standing to participate in any motion brought pursuant to this paragraph 19.

20. **THIS COURT ORDERS** that the Monitor shall provide copies of all Proofs of Claim related to the Aralez Canada Claims to the Purchaser forthwith; provided that Aralez Canada and the Purchaser shall not contact any claimant with respect to its Aralez Canada Claim without the prior written consent of API. API, and the Monitor shall inform the Purchaser of the proposed treatment of the Aralez Canada Claims (i.e. whether such Aralez Canada Claims will be admitted or disputed, in whole or in part). API and the Monitor are authorized to provide such further information to the Purchaser in respect of the Aralez Canada Claims as may be reasonably requested by the Purchaser. All communications between and all information shared among API, Aralez Canada, the Monitor and the Purchaser with respect to the Aralez Canada Claims shall be subject to common-interest privilege.

21. **THIS COURT ORDERS** that API and the Monitor shall give the Purchaser at least five (5) Business Days' prior written notice of any settlement or other resolution of, or any motion with respect to any Aralez Canada Claim, including providing a copy of any proposed settlement, motion materials or other relevant document. To the extent requested by the Purchaser, API, the Monitor and the Purchaser shall consult in good faith regarding such proposed course of action; provided that, subject to further Order of the Court, such consultation obligation shall not prevent API and the Monitor from proceeding with their proposed course of action.

22. **THIS COURT ORDERS** that, notwithstanding any other provision hereof, API and the Monitor shall not, without the prior written consent of the Purchaser or further Order of the Court: (a) admit or settle any Aralez Canada Claim for an amount greater than the amount asserted by the claimant in its Proof of Claim (including admitting any liability in connection with any "placeholder" or unliquidated claim); (b) settle an

Aralez Canada Claim that does not provide for a full and final release of any liability of Aralez Canada to such claimant related to such claim; (c) admit or settle any Aralez Canada Claim for an amount greater than the amount included in respect of such Aralez Canada Claim in the Estimated Closing Indebtedness or the Estimated Closing Net Working Capital, as the case may be; or (d) agree to any non-monetary relief against Aralez Canada, including without limitation any injunctive or other equitable relief.

23. **THIS COURT ORDERS** that any fees and expenses of API and the Monitor incurred, and any cost award ordered by the Court against API or the Monitor in connection with the adjudication of any Aralez Canada Claim pursuant to the Claims Procedure Order and this Order, shall be paid by API from any proceeds of sale being held by API. Solely to the extent Aralez Canada elects to participate in connection with the adjudication of any Aralez Canada Claims, any fees and expenses of Aralez Canada, and any cost award ordered by the Court against Aralez Canada in connection with the adjudication of any Aralez Canada Claim pursuant to the Claims Procedure Order and this Order, shall be paid by Aralez Canada. Any cost award ordered by the Court in favour of (a) API and the Monitor in connection with the adjudication of any Aralez Canada Claims, and (b) solely to the extent that Aralez Canada elects to participate in connection with the adjudication of any Aralez Canada Claim, Aralez Canada, shall be paid to API and Aralez Canada, respectively.


24. **THIS COURT ORDERS** that upon the determination of any Aralez Canada Claim (whether through a motion, settlement or other resolution) any proven or admitted claim (in whole or in part) shall be paid by Aralez Canada in accordance with the Share Purchase Agreement, and any resulting Purchase Price adjustment or payment to be made by the Purchaser to the Vendor shall be made in accordance with the Share Purchase Agreement.

GENERAL

25. **THIS COURT ORDERS** that the Applicants, the Monitor, the Purchaser, and Deerfield may apply to the Court as necessary to seek further orders and directions to give effect to this Order.

26. **THIS COURT ORDERS** that, notwithstanding the discharge of Richter as Monitor and the termination of the CCAA proceedings of Aralez Canada, the Court shall remain seized of any matter arising from or incidental to such CCAA proceedings, and each of the Applicants, Richter, the Purchaser, Deerfield and any interested party that has served a Notice of Appearance in the within proceedings shall have the authority from and after the date of this Order to apply to this Court to address such matters.

27. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Monitor and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Monitor and its agents in carrying out the terms of this Order.



S.F. Murphy

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

DEC 10 2018

PER / PAR:



SCHEDULE A
FORM OF MONITOR'S CERTIFICATE

Court File No. CV-18-603054-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF ARALEZ PHARMACEUTICALS INC. AND
ARALEZ PHARMACEUTICALS CANADA INC.

Applicants

MONITOR'S CERTIFICATE

RECITALS

A. The Applicants, including Aralez Pharmaceuticals Canada Inc. ("**Aralez Canada**"), obtained protection under the *Companies' Creditors Arrangement Act* (the "**CCAA**") pursuant to an Initial Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated August 10, 2018 (as amended and restated, the "**Initial Order**").

B. Richter Advisory Group Inc. (in such capacity, the "**Monitor**") was appointed as the Monitor of the Applicants in the CCAA proceedings pursuant to the Initial Order.

C. Pursuant to the Aralez Canada CCAA Termination Order granted ●, 2018 (the "**Aralez Canada CCAA Termination Order**"), the Court approved, among other things, the termination of the CCAA proceedings of Aralez Canada effective at the date and time (the "**Aralez Canada CCAA Termination Time**") on which the Monitor delivers a

Monitor's certificate (the "**Monitor's Certificate**") to Nuvo Pharmaceuticals Inc., as the purchaser of Aralez Canada (the "**Purchaser**").

E. Capitalized terms used in this Monitor's Certificate and not otherwise defined herein shall have the meanings given to them in the Aralez Canada CCAA Termination Order.

THE MONITOR CONFIRMS the following:

1. The Aralez Canada CCAA Termination Time has occurred at the date and time set forth below.

DATED at Toronto, Ontario this _____ day of _____, 2018.

**RICHTER ADVISORY GROUP INC.,
solely in its capacity as Monitor of the
Applicants and not in its personal capacity**

Per: _____
Name:
Title:

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c.
C-36, AS AMENDED

Court File No. CV-18-603054-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF ARALEZ
PHARMACEUTICALS INC. AND ARALEZ PHARMACEUTICALS CANADA INC.

Applicants

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at Toronto

ARALEZ CANADA CCAA TERMINATION
ORDER

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