

**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

**AFFIDAVIT OF KATHRYN ESAW
(Sworn October 10, 2018)**

I, Kathryn Esaw, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am a lawyer with Stikeman Elliott LLP, Lawyers for the Applicants, and as such have personal knowledge of the matters set out below.
2. As described further in the affidavit of Adrian Adams sworn on October 1, 2018 (any capitalized terms used herein but not otherwise defined having the definition attributed to them in Mr. Adams' affidavit), the Applicants are seeking approval of Bidding Procedures pursuant to the Bidding Procedures Order. If such procedures are approved, the Applicants will commence a sales process in respect of the Canadian Assets. Concurrently, certain of the Applicants' affiliates (the "**Chapter 11 Entities**") which are the subject of proceedings (the "**Chapter 11 Proceedings**") under chapter 11 of title 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York (the "**U.S. Court**") are seeking the U.S. Court's approval of the same set of Bidding Procedures. If approved, the Chapter 11 Entities will commence a sales process in respect of the Toprol Assets and the Vimovo Assets.

3. The Official Committee of the Unsecured Creditors in the Chapter 11 Proceedings (the “Committee”) objected to the Bidding Procedures as filed in the Chapter 11 Proceedings. A copy of the Committee’s objection is attached to the Second Report of the Monitor dated October 5, 2018 at Appendix C.

4. As of the date of this affidavit, the Chapter 11 Entities have resolved all but one of the concerns and objections raised by the Committee’s objection and revised the Bidding Procedures accordingly. A copy of the revised Bidding Procedures are attached hereto as **Exhibit “A”**. A blackline showing the changes made to the Bidding Procedures as compared to the version that was filed with the court on October 4, 2018, is attached hereto as **Exhibit “B”**. A copy of the Chapter 11 Entities’ reply to the Committee’s objection is attached hereto as **Exhibit “C”**.

5. A brief summary of the revisions to the Bidding Procedures follows:¹

- (a) **Bid protections:** The Toprol Purchaser has agreed to withdraw its requirement for the Toprol Expense Reimbursement, and the Vimovo Purchaser has agreed to reduce the Vimovo Termination Fee from 3.5% to 3% of the purchase price for the Vimovo Assets. The minimum overbid requirement in Section 4(1)-(m) will be accordingly adjusted;
- (b) **Additional reporting for the Chapter 11 Entities:** The Chapter 11 Entities have agreed to provide to the Committee weekly status reports, prompt responses to reasonable information requests, and reports of any consultation with Deerfield regarding the Bidding Process. These additional reporting obligations do not extend to the Applicants;
- (c) **Transition services:** The Vimovo Purchaser has agreed to provide customary transition services (for no less than 60 days) to a Successful

¹ Capitalized terms used herein but not otherwise defined shall have the definition attributed to them in the Bidding Procedures. This section is meant to be a summary of the Bidding Procedures. To the extent there are any ambiguities or inconsistencies between this summary and the Bidding Procedures, the terms of the Bidding Procedures shall govern in all respects.

Bidder for the Toprol Assets and its related business on commercially reasonable terms to be negotiated in good faith and agreed between the Vimovo Purchaser and the Successful Bidder (but no less favorable than such terms that it may agree to with the Toprol Purchaser) in order to facilitate the transfer of Toprol Assets and related ongoing business to the Successful Bidder, subject to certain limitations;

- (d) **Deerfield's involvement in the process:** Deerfield shall not receive copies of bids on or before the Bid Deadline; each U.S. Seller will consult with the Committee regarding whether consulting with a Consultation Party during the Bidding Process regarding any issue, selection or determination would be likely to have a chilling effect on potential bidding or otherwise be contrary to goal of maximizing value for the applicable U.S. Seller's estate from the sale process; and the Committee will be permitted to report to the U.S. Court on an emergency basis if it determines that the Chapter 11 Entities are consulting with a Consultation Party in a manner that is inconsistent with the goal of maximizing the value of the Chapter 11 Entities' estates
- (e) **Discovery timetable:** The Chapter 11 Entities, the Committee and Deerfield have agreed to confer regarding a discovery timeline that will enable timely preparation for the Sale Hearing. Such discussions are underway. Accordingly, the bidding and sale timeline originally proposed in the Bidding Procedures has been extended by approximately one week, with competing bids now being due November 26, 2018 (instead of November 19, 2018) and the Sale Hearing being held on December 4, 2018 instead of November 29, 2018;
- (f) **Sale objections:** The parties also have agreed that no substantive objections to the Sales will be considered at this time, and that the

Committee's rights to assert such objections on or before the Sale Objection Deadline are fully reserved;

6. The unresolved issue was not raised in the Committee's formal written objection. The Committee has since requested that it be included in the definition of "Consultation Parties" with respect to the Canadian Assets, such that it would have to be consulted by the Applicants regarding, among other things, Qualified Bids for the Canadian Assets and/or any asset of Aralez Canada that would be transferred to the Canadian Purchaser pursuant to the Canadian Share Purchase Agreement.

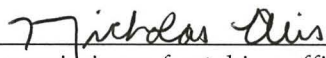
7. If the Committee were to become a Consultation Party for the Canadian Assets, the Applicants would have to consult the Committee in the following instances in respect of the Canadian sales process and bids:

- (a) when considering whether the terms and conditions of a Qualified Bidder are at least as favorable to the Applicants as those set forth in the Canadian Share Purchase Agreement (see paragraph B4(c) of the Bidding Procedures);
- (b) when evaluating whether the financial information submitted by a Qualified Bidder is acceptable (see paragraph B4(k) of the Bidding Procedures);
- (c) when exercising their reasonable business judgement to determine whether an offer is greater or otherwise better than the value offered under the Canadian Share Purchase Agreement (see paragraph B4(n) of the Bidding Procedures);
- (d) when determining whether an offer contains a condition to closing that would be a material impediment to a timely closing of such transaction (see paragraph B4(u) of the Bidding Procedures);
- (e) when determining whether to extend the Bid Deadlines (see paragraph B4(w) of the Bidding Procedures);

- (f) when determining whether to entertain a bid that does not conform to one or more of the requirements outlined in the Bid Procedures (see paragraph B4, “Non-Conforming Bids; Non-Solicitation” of the Bidding Procedures);
- (g) when determining which bids qualify as Qualified Bids, including regarding otherwise non-confirming bids that may be determined to be Qualified Bids (see paragraph B4, “Non-Conforming Bids; Non-Solicitation” of the Bidding Procedures);
- (h) when deciding not to hold an Auction after receiving no Qualified Bids and deeming the Canadian Purchaser as the Successful Bidder in respect of the Canadian Assets (see paragraph B7 of the Bidding Procedures);
- (i) when determining which bid is the highest or otherwise best offer for the Canadian Assets prior to the start of the Auction (see paragraph B8(d) of the Bidding Procedures);
- (j) when employing and announcing additional procedural rules at the Auction (see paragraph B8(f) of the Bidding Procedures);
- (k) when determining whether an addition, deletion or modification of the Canadian Share Purchase Agreement meets the standard of materially providing additional value (see paragraph B8(g) of the Bidding Procedures);
- (l) with respect to Qualified Bids that bid on two or more of any of the Toprol Assets, the Vimovo Assets, the Canadian Assets, and/or any asset of Aralez Canada that would be transferred to the Canadian Purchaser pursuant to the Canadian Share Purchase Agreement, whether to exercise the right to require those Qualified Bidders at or before the Auction to allocate the purchase price between and/or among the Toprol Assets, the Vimovo Assets, the Canadian Assets, and/or any asset of Aralez Canada that would be transferred to the Canadian Purchaser pursuant to the Canadian Share Purchase Agreement, as applicable (see paragraph B8(h) of the Bidding Procedures);

- (m) when deciding whether to adjourn the Auction (see paragraph 8(i) of the Bidding Procedures);
- (n) when reviewing and evaluating each applicable Qualified Bid prior to the conclusion of the Auction to determine which offer or group of offers is the highest or otherwise best offer or offers from among the applicable Qualified Bidders (see paragraph B9 of the Bidding Procedures); and
- (o) when modifying the rules, procedures and deadlines set forth in the Bidding Procedures (see section E of the Bidding Procedures).

SWORN BEFORE ME at the City of
Toronto, on October 10, 2018



Commissioner for taking affidavits

Nicholas James Haley Avis, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires March 31, 2020.



KATHRYN ESAW

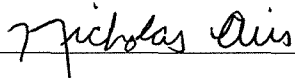
TAB A

EXHIBIT "A"

referred to in the Affidavit of

KATHRYN ESAW

Sworn October 10, 2018



Commissioner for Taking Affidavits

BID PROCEDURES

Set forth below are the bid procedures (the “**Bid Procedures**”) to be used by Aralez Pharmaceuticals Trading DAC (the “**Toprol Seller**”), POZEN Inc. and Aralez Pharmaceuticals Trading DAC (collectively, the “**Vimovo Seller**” and together with the Toprol Seller, the “**U.S. Sellers**”), and Aralez Pharmaceuticals Inc. (the “**Canadian Seller**” and together with the Toprol Seller and Vimovo Seller, the “**Sellers**” and each a “**Seller**”) for the proposed sales of certain assets (collectively, the “**Purchased Assets**”) and assumption of certain liabilities, in the Toprol Seller’s and Vimovo Seller’s jointly administered chapter 11 cases pending in the United States Bankruptcy Court for the Southern District of New York (the “**Bankruptcy Court**”), lead case number 18-12425 (MG), and the Canadian Seller’s restructuring proceedings pending in the Ontario Superior Court of Justice (Commercial List) (the “**Canadian Court**”, and collectively with the Bankruptcy Court, the “**Courts**”) commenced under the Companies’ Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended (“**CCAA**”), Court File No. CV-18-603054-00CL, pursuant to those certain:

- (I) Asset Purchase Agreement, dated September 18, 2018 (together with the schedules and related documents thereto, and as may be amended, supplemented or otherwise modified from time to time, the “**Toprol APA**”), regarding those assets defined in Section 2.1 of the Toprol APA (the “**Toprol Assets**”) by and among the Toprol Seller and Toprol Acquisition LLC (the “**Toprol Purchaser**”);
- (II) Asset Purchase Agreement, dated September 18, 2018 (together with the schedules and related documents thereto, and as may be amended, supplemented or otherwise modified from time to time, the “**Vimovo APA**”) regarding those assets defined in Section 2.1 of the Vimovo APA (the “**Vimovo Assets**”) by and among the Vimovo Seller and Nuvo Pharmaceuticals (Ireland) Limited (the “**Vimovo Purchaser**”); and
- (III) Share Purchase Agreement, dated September 18, 2018 (together with the schedules and related documents thereto, and as may be amended, supplemented or otherwise modified from time to time, the “**Canadian Share Purchase Agreement**”) regarding the shares (the “**Canadian Assets**”) of Aralez Pharmaceuticals Canada Inc. (“**AP Canada**”) by and among the Canadian Seller and Nuvo Pharmaceuticals Inc. (the “**Canadian Purchaser**”),

The Toprol APA, the Vimovo APA and the Canadian Share Purchase Agreement are collectively referred to herein as the “**Stalking Horse Agreements**” and each as a “**Stalking Horse Agreement**”, and the Toprol Purchaser, the Vimovo Purchaser and the Canadian Purchaser are collectively referred to herein as the “**Stalking Horse Purchasers**” and each as a “**Stalking Horse Purchaser**”).

The Toprol Purchaser has submitted a Qualified Bid (as defined below) for the Toprol Assets consisting of a credit bid in an aggregate amount equal to \$130,000,000 (the “**Toprol Stalking Horse Bid**”) with such credit bid allocated as follows: (i) first, a credit in the amount of the obligations outstanding under that certain Senior Secured Super-Priority Debtor-In-Possession Credit Agreement, dated as of August 10, 2018 (as may be amended, supplemented or otherwise modified from time to time, the “**DIP Loan Agreement**”), by and among the Debtors, Deerfield Management Company, L.P., as administrative agent (in such capacity, the “**DIP Agent**”), Deerfield Private Design Fund III, L.P., as lender, and Deerfield Partners, L.P., as lender (in such capacity, the “**DIP Lenders**”), as of the Closing Date (the “**DIP Credit**”) and (ii) second, for any amount remaining after crediting the DIP Credit, a dollar-for-dollar credit on account of the Pre-Petition First Lien Obligations in the amount of the remainder.

The Vimovo Purchaser has submitted a Qualified Bid (as defined below) for the Vimovo Assets consisting of an all cash purchase price of \$47,500,000 (the “**Vimovo Stalking Horse Bid**”).

The Canadian Purchaser has submitted a Qualified Bid (as defined below) for the Canadian Assets consisting of an all cash purchase price of \$62,500,000 (the “**Canadian Stalking Horse Bid**”, collectively with the Toprol Stalking Horse Bid and the Vimovo Stalking Horse Bid, the “**Stalking Horse Bids**” and each a “**Stalking Horse Bid**”).

On [____], 2018, the Courts entered orders, which, among other things, authorized each of the Sellers to determine the highest or otherwise best offers for the Purchased Assets through the Bid Procedures (the “**Bidding Procedures Orders**”).

The sale transactions pursuant to the Stalking Horse Agreements are subject to competitive bidding as set forth herein.

A. ASSETS TO BE SOLD

The Sellers seek to complete sales of the Purchased Assets and the assumption of the Assumed Liabilities described in Sections 2.1 and 2.2 of the Toprol APA and Sections 2.1 and 2.2 of the Vimovo APA and the sale of the Purchased Shares described in Section 2.1 of the Canadian Share Purchase Agreement.

Except as otherwise provided in the Stalking Horse Agreements or such other approved purchase agreement of the Successful Bidder(s) (as defined below), all of each Seller’s respective right, title and interest in and to the Toprol Assets, the Vimovo Assets and the Canadian Assets to be acquired shall be sold free and clear of all liens, claims, interests, charges, restrictions and encumbrances of any kind or nature thereon (collectively, the “**Liens**”), except for permitted encumbrances and assumed liabilities as may be specified in the applicable Stalking Horse Agreement, and with any such Liens to attach solely to the net proceeds of the sale of each applicable Purchased Asset.

A party may participate in the Bidding Process by submitting a Qualified Bid (as defined below) for any or all of (a) the Toprol Assets, (b) the Vimovo Assets, (c) the Canadian Assets, and/or (d) any asset of Aralez Canada that would be transferred to the Canadian Purchaser pursuant to the Canadian Share Purchase Agreement.

B. THE BID PROCEDURES

To ensure that each Seller receives the maximum value for the applicable Purchased Asset, the Stalking Horse Agreements are subject to higher or otherwise better offers at the Auction in accordance with these Bid Procedures, and, as such, the Toprol APA will serve as the “stalking horse” bid for the Toprol Assets, the Vimovo APA will serve as the “stalking horse” bid for the Vimovo Assets and the Canadian Share Purchase Agreement will serve as the “stalking horse” bid for the Canadian Assets.

1. Key Dates

The key dates for the process contemplated herein are as follows:¹

Sale Timeline	
Bid Deadline	November 26, 2018 at 5:00 p.m. prevailing ET
Deadline to Notify Qualified Bidders	November 28, 2018 at 5:00 p.m. prevailing ET
Auction (if required)	November 29, 2018 at 1:00 p.m. prevailing ET
Notice of Successful Bidders	December 3, 2018 at 5:00 p.m. prevailing ET
Sale Hearing	December 4, 2018 at 11:00 a.m. prevailing ET (Bankruptcy Court)
	The earliest date available after December 4, 2018 (Canadian Court)

2. Confidentiality

In order to participate in the Bidding Process, each person other than a Stalking Horse Purchaser who wishes to participate in the Bidding Process (a “**Potential Bidder**”) must provide an executed confidentiality agreement (to be delivered prior to the distribution of any confidential information by any Seller to any Potential Bidder) in form and substance

¹ These dates are subject to extension or adjournment as provided for herein and in consultation with the Consultation Parties (as defined below).

satisfactory to the applicable Seller, on terms substantially similar to those contained in the confidentiality agreement signed by the applicable Stalking Horse Purchaser.

3. Due Diligence

The Sellers will afford any Potential Bidder that signs an executed confidentiality agreement in accordance with paragraph 2 above such due diligence access or additional information as the Sellers, in consultation with their advisors, deem appropriate, in their discretion and within their reasonable business judgment. The Sellers will use good faith efforts to provide to the Stalking Horse Purchasers access to written information made available to any Qualified Bidder, as applicable to the respective assets, business and/or shares being purchased, if not previously made available to the Stalking Horse Purchaser(s).

The due diligence period shall end on the Bid Deadline, and none of the Sellers nor any of their representatives shall be obligated to furnish any due diligence information to any Qualified Bidder (as defined below) (other than a Successful Bidder (as defined below)) after the Bid Deadline. For the avoidance of doubt, none of the Sellers nor any of their representatives shall be obligated to furnish any due diligence information to any person other than a Qualified Bidder as provided above.

4. Provisions Governing Qualified Bids

A bid submitted will be considered a "**Qualified Bid**" only if the bid complies with all of the following, in which case the party submitting the bid shall be a "**Qualified Bidder**":

- a. it discloses whether the bid is for some or all of each of the Toprol Assets, the Vimovo Assets, the Canadian Assets, and/or any asset of Aralez Canada that would be transferred to the Canadian Purchaser pursuant to the Canadian Share Purchase Agreement;
- b. it fully discloses the identity of each entity that will be bidding for or purchasing some or all of each of the Toprol Assets, the Vimovo Assets, the Canadian Assets, and/or any asset of Aralez Canada that would be transferred to the Canadian Purchaser pursuant to the Canadian Share Purchase Agreement, including any equity holders in the case of a Potential Bidder which is an entity specially formed for the purpose of effectuating the contemplated transaction, or otherwise participating in connection with such bid (including any co-bidder or team bidder), and the complete terms of any such participation, including any agreements, arrangements or understandings concerning a collaborative or joint bid or any other combination concerning the proposed bid. A bid must also fully disclose any connections or agreements with the Sellers, the Stalking Horse Purchasers or any

other known bidders, Potential Bidder or Qualified Bidder, and/or any officer, director or equity security holder of the Sellers;

- c. it states that the applicable Qualified Bidder offers to purchase, and has a bona fide interest in purchasing, in cash, some or all of each of the Toprol Assets, the Vimovo Assets, the Canadian Assets, and/or any asset of Aralez Canada that would be transferred to the Canadian Purchaser pursuant to the Canadian Share Purchase Agreement, upon terms and conditions that the applicable Seller(s) reasonably determines, after consultation with the Consultation Parties (defined below), is at least as favorable to the applicable Seller(s) as those set forth in the applicable Stalking Horse Agreement(s) (or pursuant to an alternative structure that the Seller(s) reasonably determines, after consultation with the Consultation Parties (defined below), is no less favorable to the Seller(s) than the terms and conditions of the applicable Stalking Horse Agreement(s)). For the avoidance of doubt, any Qualified Bid must, either on its own or when considered together with other Qualified Bid(s), provide value in excess of the applicable Stalking Horse Agreement(s) plus the applicable Termination Fee, Expense Reimbursement (each as defined below) and minimum overbid requirements detailed below in Sections 4(k)-(m);
- d. it provides a description of any anticipated regulatory or governmental approvals necessary to consummate the bid;
- e. it includes a commitment to close the transactions within the timeframe contemplated by the applicable Stalking Horse Agreement;
- f. it includes a signed writing that the Qualified Bidder's offer is irrevocable unless and until the applicable Seller(s) accept a higher or otherwise better bid and such Qualified Bidder is not selected as a Back-Up Bidder (as defined below); provided that if such Qualified Bidder is selected as the Successful Bidder (as defined below), its offer shall remain irrevocable until the earlier of one (1) month after the designation of the Successful Bid (as defined below) at the Auction or the closing of the Sale(s) to the Successful Bidder(s). Such writing shall guarantee performance of the Qualified Bidder by its parent entities, if any, or provide such other guarantee of performance acceptable to the Seller(s);
- g. it shall be accompanied by a deposit into escrow with the applicable Seller(s) of an amount in cash equal to 4% of the purchase price (the "**Good Faith Deposit**");

- h. it includes confirmation that all necessary internal and shareholder approvals have been obtained prior to the bid;
- i. it includes a duly authorized and executed copy of an asset purchase agreement, including the purchase price for the specific Toprol Assets, the Vimovo Assets, the Canadian Assets, and/or any asset of Aralez Canada that would be transferred to the Canadian Purchaser pursuant to the Canadian Share Purchase Agreement, or a combination thereof, expressed in U.S. Dollars, together with all exhibits and schedules thereto, together with copies marked to show any amendments and modifications to the applicable Stalking Horse Agreement(s) (collectively, the **“Proposed Asset Purchase Agreement”**) and proposed forms of orders to approve the sale by each of the applicable Courts, together with a copy marked to show amendments and modifications to the proposed form(s) of sale approval order(s) attached to the motions approving the sale of the respective Purchased Assets to the applicable Stalking Horse Purchaser; provided, however, that such Proposed Asset Purchase Agreement shall not include any financing or diligence conditions, or any other conditions that are less favorable to the Seller(s) than the conditions in the applicable Stalking Horse Agreement;
- j. if such bid is for the Vimovo Assets, including any patent related to a Licensed Product (as such term is defined in the Genus Amendment), the Proposed Asset Purchase Agreement includes a provision pursuant to which the bidder affirmatively assumes the Assumed Obligations (as such term is defined in the Genus Amendment);
- k. it includes written evidence of (i) sufficient cash on hand to fund the purchase price or (ii) sources of immediately available funds that are not conditioned on third-party approvals or commitments, in each case, that will allow the Seller(s) to make a reasonable determination as to the Qualified Bidder’s financial and other capabilities to consummate the transaction contemplated by the Proposed Asset Purchase Agreement. Such written evidence shall include the most current audited and the most current unaudited financial statements, or such other financial information of the Qualified Bidder as may be acceptable to the Seller(s), in consultation with the Consultation Parties (as defined below) (collectively, the **“Financials”**), or, if the Qualified Bidder is an entity formed for the purpose of acquiring some or all of each of the Toprol Assets, the Vimovo Assets, the Canadian Assets, and/or any asset of Aralez Canada that would be transferred to the Canadian Purchaser pursuant to the Canadian Share Purchase Agreement, the Financials of the Qualified Bidder’s equity holder(s) or

other financial backer(s) that are guaranteeing the Qualified Bidder's performance; provided that if a Potential Bidder is unable to provide Financials, the Seller(s) may accept such other information sufficient to demonstrate to each Seller's reasonable satisfaction, after consultation with the Consultation Parties (as defined below), that such Potential Bidder has the financial wherewithal to consummate the applicable sale transaction. The Potential Bidder also must establish that it has the financial ability to consummate its proposed transaction within the timeframe contemplated for consummation of the applicable Stalking Horse Agreement.

- l. with respect to the Toprol Assets, it (in combination with any other bids for some or all of such assets) provides for a cash purchase price that exceeds the aggregate cash consideration to be paid to or for the benefit of the Toprol Seller's estate set forth in the Toprol APA by at least \$500,000, and otherwise has a value to the Toprol Seller, in its exercise of its reasonable business judgment, after consultation with its advisors and the Consultation Parties (as defined below), that is greater or otherwise better than the value offered under the Toprol APA (including impact of any liabilities assumed in the Toprol APA);
- m. with respect to the Vimovo Assets, it (in combination with any other bids for some or all of such assets) provides for a cash purchase price that exceeds the aggregate cash consideration to be paid to or for the benefit of the Vimovo Seller's estates set forth in the Vimovo APA by at least \$2,350,000, which represents the sum of: (i) the Vimovo Termination Fee (as defined below) of \$1,425,000, plus (ii) the Vimovo Expense Reimbursement (as defined below) (not to exceed \$425,000), plus (iii) \$500,000 and otherwise has a value to the Vimovo Seller, in its exercise of its reasonable business judgment, after consultation with its advisors and the Consultation Parties (as defined below), that is greater or otherwise better than the value offered under the Vimovo APA (including impact of any liabilities assumed in the Vimovo APA);
- n. with respect to the Canadian Assets, it (in combination with any other bids for some or all of such assets) provides for a cash purchase price that exceeds the aggregate cash consideration to be paid to or for the benefit of the Canadian Seller's estates set forth in the Canadian Share Purchase Agreement by at least \$3,262,500, which represents the sum of: (i) the amount of the Canadian Termination Fee (as defined below) of \$2,187,500, plus (ii) the Canadian Expense Reimbursement (as defined below) (not to exceed \$575,000), plus (iii) \$500,000 and otherwise has a value to the Canadian Seller, in its exercise of its

reasonable business judgment, after consultation with its advisors and the Consultation Parties (as defined below), that is greater or otherwise better than the value offered under the Canadian Share Purchase Agreement (including impact of any liabilities assumed in the Canadian Share Purchase Agreement);

- o. it identifies with particularity which Executory Contracts and Unexpired Leases the Qualified Bidder wishes to assume and provides details of the Qualified Bidder's proposal for the treatment of related Cure Amounts, and contains sufficient information concerning the Qualified Bidder's ability to provide adequate assurance of performance with respect to Executory Contracts and Unexpired Leases to be assumed and assigned, including the legal name of any proposed assignee of a proposed assumed Executory Contract and the proposed use of any leased premises, in a form that will permit immediate dissemination to the Consultation Parties (as defined below) and the counterparties to such contracts and leases;
- p. it includes an acknowledgement and representation that the Qualified Bidder: (i) has had an opportunity to conduct any and all required due diligence regarding acquiring the applicable Toprol Assets, the Vimovo Assets, the Canadian Assets, and/or any asset of Aralez Canada that would be transferred to the Canadian Purchaser pursuant to the Canadian Share Purchase Agreement, prior to making its offer; (ii) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Toprol Assets, the Vimovo Assets, the Canadian Assets, and/or any asset of Aralez Canada that would be transferred to the Canadian Purchaser pursuant to the Canadian Share Purchase Agreement, in making its bid; (iii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the Toprol Assets, the Vimovo Assets, the Canadian Assets, and/or any asset of Aralez Canada that would be transferred to the Canadian Purchaser pursuant to the Canadian Share Purchase Agreement, or the completeness of any information provided in connection therewith or with the Auction (defined below), except as expressly stated in the Proposed Asset Purchase Agreement; and (iv) is not entitled to any expense reimbursement, break-up fee, termination fee, or similar type of payment in connection with its bid;
- q. it includes evidence, in form and substance satisfactory to the applicable Seller(s), of authorization and approval from the Qualified Bidder's board of directors (or comparable governing body) with

- respect to the submission, execution, delivery and closing of the Proposed Asset Purchase Agreement;
- r. it provides such other guarantee of performance or assurance acceptable to the applicable Seller(s) in their discretion;
 - s. it states that the Qualified Bidder consents to the jurisdiction of the Courts, as applicable;
 - t. it contains such other information reasonably requested by the applicable Seller(s);
 - u. it does not contain any condition to closing of the proposed sale on the receipt of any third party approvals not already required in any applicable Stalking Horse Agreement (excluding court approval and any applicable required governmental and/or regulatory approval) or which the Sellers, after consultation with the Consultation Parties, determine, in their reasonable business judgment, would be a material impediment to a timely closing of such transaction;
 - v. it expressly states that the prospective bidder agrees to serve as a Back-Up Bidder if such bidder's Qualified Bid is selected as the next highest and best bid after the Successful Bid pursuant to Section B(4)(f) of these Bid Procedures; and
 - w. it is received by the applicable Notice Parties (as defined in, and in accordance with, Section B.5) on or prior to the 5:00 p.m. (prevailing Eastern Time) on November 26, 2018 (the "**Bid Deadline**"), and such Bid Deadline may be extended by the Sellers after consultation with the Consultation Parties (as defined below), with the consent of the Stalking Horse Purchasers or by order of the Courts.

Non-Conforming Bids; Non-Solicitation. Notwithstanding anything to the contrary in these Bid Procedures, the Sellers, in consultation with the Consultation Parties (as defined below), shall have the right to entertain any bid that does not conform to one or more of the requirements herein and deem such bid a Qualified Bid (a "**Non-Conforming Bid**"); provided, however, that such Non-Conforming Bid so entertained by the Sellers must nevertheless meet each of the following: (a) the Good Faith Deposit must be made in the amount specified above; (b) the bid must meet the minimum overbid requirements set forth in Sections 4(k)-(m) above in respect to the specific assets which it would encompass; (c) any subsequent bid must meet the requirements set forth in Section 8(g) below in respect to the specific assets which it would encompass; and (d) any condition to closing set forth in the applicable Proposed Asset Purchase Agreement cannot be more onerous (in any material respect) to the applicable Seller(s) than any similar conditions set forth in the Toprol APA, Vimovo APA, and/or Canadian Share

Purchase Agreement, as applicable. For the avoidance of doubt, any Non-Conforming Bid may be for the purchase of any combination of some or all of the Toprol Assets, the Vimovo Assets, the Canadian Assets and/or any asset of Aralez Canada that would be transferred to the Canadian Purchaser pursuant to the Canadian Share Purchase Agreement.

Notwithstanding anything in these Bid Procedures to the contrary, the Toprol Purchaser is deemed to be a Qualified Bidder with respect to the Toprol Assets, the Vimovo Purchaser is deemed to be a Qualified Bidder with respect to the Vimovo Assets, the Canadian Purchaser is deemed to be a Qualified Bidder with respect to the Canadian Assets, the respective Stalking Horse Bids are deemed to be Qualified Bids in respect to the assets subject to each such Bid for all purposes in connection with the Bid Procedures, the Auction, and the respective sales, and the Stalking Horse Purchasers shall not be required to take any further action in order to attend and participate in the Auction (if any) or, if a Stalking Horse Purchaser is a Successful Bidder (as defined below), to be named a Successful Bidder at the Sale Hearing (as defined below).

The DIP Agent, on behalf of the DIP Lenders and the Prepetition Lenders, shall, at its sole discretion, also be a Qualified Bidder and may submit such bid and/or Subsequent Bids (as defined below) in cash, cash equivalents or other forms of consideration, including a credit bid, either in whole or in part, to the extent permitted under and consistent with section 363(k) of the Bankruptcy Code or the CCAA, as applicable, up to the full allowed amount of their claims, which credit bid(s) shall be deemed as a part of a Qualified Bid and/or Subsequent Bid in connection with the Bidding Process, the Auction, and the respective sales regarding the Toprol Assets, the Vimovo Assets, the Canadian Assets and/or any asset of Aralez Canada that would be transferred to the Canadian Purchaser pursuant to the Canadian Share Purchase Agreement.

Any credit bid for the U.S. Sellers' assets shall be subject to the challenge rights established pursuant to the *Final Order (I) Authorizing Debtors to Obtain Postpetition Financing; (II) Granting Liens, Security Interests and Superpriority Status; (III) Authorizing Use of Cash Collateral; (IV) Affording Adequate Protection; (V) Modifying the Automatic Stay; and (VI) Granting Related Relief* [Docket No. 98] (the “**DIP Financing Order**”).

The Sellers, after consultation with the Consultation Parties (as defined below), will make a determination regarding which bids qualify as Qualified Bids. The Sellers shall promptly notify each Qualified Bidder in writing as to whether or not their bid constitutes a Qualified Bid. The Sellers shall also notify the Stalking Horse Purchasers and all other Qualified Bidders in writing (which may be an email) as to whether or not any bids constitute Qualified Bids no later than one day after the notification to any Qualified Bidder that its bid constitutes a Qualified Bid and provide a copy of all Qualified Bids (excluding the Stalking Horse Agreements). The notices described in this paragraph shall

not be given later than two (2) business days following the expiration of the Bid Deadline.

Consultation Parties. The “**Consultation Parties**” are (a) the DIP Agent, (b) Richter Advisory Group Inc., in its capacity as Monitor to the Canadian Seller (the “**Monitor**”), with respect to the Canadian Assets and Vimovo Assets, or any other assets proposed to be purchased that are conditioned upon the purchase of the Canadian Assets, (c) counsel to the Monitor, with respect to the Canadian Assets and Vimovo Assets, or any other assets proposed to be purchased that are conditioned upon the purchase of the Canadian Assets; and (d) counsel to the Official Committee of Unsecured Creditors (the “**Committee**”) appointed in the Sellers’ bankruptcy cases, and each of their respective counsel and advisors with respect to the Toprol Assets and the Vimovo Assets. Notwithstanding anything herein to the contrary, the Sellers shall not be required to consult with any Consultation Party during the bidding and Auction process to the extent such Consultation Party is a Potential Bidder, a Qualified Bidder, or a financing source for a bidder, including, if the Sellers determine, in their reasonable business judgment (after consultation with the Committee with respect to the U.S. Sellers), that consulting with such Consultation Party regarding any issue, selection or determination would be likely to have a chilling effect on potential bidding or otherwise be contrary to goal of maximizing value for the applicable Seller’s estate from the sale process (and the Committee shall be permitted to report to the Bankruptcy Court on an emergency basis if it determines the Debtors are consulting with a Consultation Party in a manner that is inconsistent with the goal of maximizing value).

Subject to the terms of any orders entered by the Courts, after consultation with the Consultation Parties, each Seller shall have the right and obligation to make all decisions regarding the applicable Bids and the Auction as provided herein as it determines to be in the best interest of its estate, whether or not the Consultation Parties agree with that decision.

5. Bid Deadline

A Qualified Bidder that desires to make a bid regarding some or all of each of the Toprol Assets and/or the Vimovo Assets must deliver written copies of its bid, so as to be received on or before the Bid Deadline, to each of the following parties (the “**U.S. Notice Parties**”):

(a) counsel to the Sellers: Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, New York 10019 (Attn: Paul V. Shalhoub, Esq. (pshalhoub@willkie.com) and Robin Spigel, Esq. (rspigel@willkie.com)); and

(b) proposed counsel to the Committee: Brown Rudnick LLP, 7 Times Square, New York, New York 10036 (Attn: Robert J. Stark, Esq. (rstark@brownrudnick.com) and Howard S. Steel, Esq. (hsteel@brownrudnick.com)).

A Qualified Bidder that desires to make a bid regarding some or all of each of the Canadian Assets must deliver written copies of its bid, so as to be received on or before the Bid Deadline, to each of the following parties (the “**Canadian Notice Parties**”, collectively with the U.S. Notice Parties, the “**Notice Parties**”):

(a) counsel to the Canadian Seller: Stikeman Elliott LLP, 5300 Commerce Court West, 199 Bay Street, Toronto, Ontario M57 1B9 Canada (Attn: Ashley Taylor (ataylor@stikeman.com) and Jonah Mann (jmann@stikeman.com));

(b) the Monitor: Richter Advisory Group, 3320 Bay Wellington Tower, 181 Bay Street, Toronto, Ontario M5J 2T3 (Attn: Paul Van Eyk (pvaneyk@richter.ca)), and its counsel, Torys LLP, 3000 TD South Tower, 79 Wellington Street West, Toronto, Ontario M5K 1N2 (Attn: David Bish (dbish@torys.com)); and

(c) proposed counsel to the Committee: Brown Rudnick LLP, 7 Times Square, New York, New York 10036 (Attn: Robert J. Stark, Esq. (rstark@brownrudnick.com) and Howard S. Steel, Esq. (hsteel@brownrudnick.com)).

6. Evaluation of Competing Bids

A Qualified Bid will be valued based upon several factors including, without limitation: (a) the amount of such bid (including value provided by the assumption of liabilities); (b) the risks and timing associated with consummating such bid; (c) any proposed revisions to the applicable Stalking Horse Agreement (including any additional conditions to closing); (d) any assets included or excluded from the Qualified Bid, including any Executory Contracts and Unexpired Leases; (e) the likelihood of the bidders’ ability to close a transaction, the conditions thereof and the timing thereof; (f) any purchase-price adjustments; (g) indemnification or similar provisions; (h) the net economic effect of any changes to the value to be received by the applicable Seller’s estate from the transaction contemplated by the bid; (h) whether the Bid is a bid for all or some of the Toprol Assets, the Vimovo Assets, the Canadian Assets, and/or any asset of Aralez Canada that would be transferred to the Canadian Purchaser pursuant to the Canadian Share Purchase Agreement; and (i) any other factors deemed relevant by the applicable Seller(s) in consultation with the Consultation Parties.

7. No Qualified Bids

If a Seller does not receive a Qualified Bid with respect to any of the Toprol Assets, Vimovo Assets or Canadian Assets other than the applicable Stalking Horse Bid, such Seller, after consultation with the Consultation Parties, will not hold an Auction (as defined below) with respect to such Purchased Assets and the applicable Stalking Horse Purchaser will be deemed the Successful Bidder on the Bid Deadline with respect to such Purchased Assets.

8. Auction Process

If one or more Seller receives one or more Qualified Bids with respect to any of the Toprol Assets, Vimovo Assets or Canadian Assets in addition to the applicable Stalking Horse Bid, such Seller(s) will conduct auction(s) (the "**Auction**") of the applicable Purchased Assets (which the Sellers intend to transcribe) at 1:00 p.m. (prevailing Eastern Time) on November 29, 2018, at the offices of Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, NY 10019, or such other location as shall be timely communicated by the Sellers to all entities entitled to attend the Auction. The Auction shall be conducted in accordance with the following procedures:

- a. only the Sellers, the Notice Parties, the DIP Lenders, the Stalking Horse Purchasers, any other Qualified Bidders, and the Consultation Parties, in each case along with their representatives and advisors, shall be entitled to attend the Auction (such attendance to be in person);
- b. only the Stalking Horse Purchasers and such other Qualified Bidders will be entitled to participate as bidders in, or make any subsequent bids at, the Auction; provided that all such Qualified Bidders wishing to attend the Auction must have at least one individual representative with authority to bind such Qualified Bidder attending the Auction in person;
- c. each Qualified Bidder shall be required to confirm that it has not engaged in any collusion with respect to the bidding or the sale;
- d. at least one (1) business day prior to the Auction, each Qualified Bidder must inform the applicable Seller(s) whether it intends to attend the Auction; provided that in the event a Qualified Bidder elects not to attend the Auction, such Qualified Bidder's Qualified Bid shall, subject to the terms of the Stalking Horse Agreements, nevertheless remain fully enforceable against such Qualified Bidder until (i) the date of the selection of the applicable Successful Bidder (as defined below) at the conclusion of the Auction, or (ii) if selected as the Successful Bidder, until the earlier of one (1) month after the designation of the Successful Bid (as defined below) at the Auction or the closing of the Sale(s) to the Successful Bidder(s). No later than one (1) day prior to the start of the Auction, the Sellers will provide copies of the Qualified Bid or Qualified Bids which the applicable Seller, after consultation with the Consultation Parties, believes is the highest or otherwise best offer for the Toprol Assets (the "**Toprol Starting Bid**"), the Vimovo Assets (the "**Vimovo Starting Bid**") and the Canadian Assets (the "**Canadian Starting Bid**", collectively, the

“Starting Bids” and each a **“Starting Bid”**) to the Stalking Horse Purchasers and all other Qualified Bidders;

- e. all Qualified Bidders who have timely submitted Qualified Bids will be entitled to be present for all Subsequent Bids (as defined below) at the Auction and the actual identity of each Qualified Bidder will be disclosed on the record at the Auction;
- f. the Sellers, after consultation with their advisors and the Consultation Parties, may employ and announce at the Auction additional procedural rules that are reasonable under the circumstances for conducting the Auction, provided that such rules are: (i) not inconsistent with these Bid Procedures, title 11 of the United States Code (the **“Bankruptcy Code”**) as to the Toprol Assets and Vimovo Assets and the CCAA as to the assets and liabilities of the Canadian Assets, any order of the Bankruptcy Court or Canadian Court, as applicable, entered in connection herewith or the Stalking Horse Agreements; (ii) provide that bids be made and received on an open basis, with all material terms of each bid to be fully disclosed to all other Qualified Bidders at the Auction; and (iii) are disclosed to each Qualified Bidder at the Auction;
- g. bidding at the Auction will begin with the Starting Bids and continue in bidding increments (each a **“Subsequent Bid”**) providing a net value to the applicable estate of at least an additional: (i) \$1,000,000 above the prior bid for the Toprol Assets, (ii) \$500,000 above the prior bid for the Vimovo Assets and (iii) \$500,000 above the prior bid for the Canadian Assets. After the first round of bidding and between each subsequent round of bidding, the Sellers shall announce the bid (including the identity of the bidder or bidders and the value of such bid(s)) that they believe to be the highest or otherwise best offer for the Toprol Assets, the Vimovo Assets, the Canadian Assets, and/or any asset of Aralez Canada that would be transferred to the Canadian Purchaser pursuant to the Canadian Share Purchase Agreement (individually or collectively, as applicable, the **“Highest Bid”**). A round of bidding will conclude after each participating Qualified Bidder has had the opportunity to submit a Subsequent Bid with full knowledge of the then Highest Bid. For the purpose of evaluating the value of the consideration provided by the Subsequent Bids (including any Subsequent Bid by any Stalking Horse Purchaser), the Sellers will give effect (on a dollar for dollar basis) to any applicable Termination Fee (as defined below) and any applicable Expense Reimbursement (as defined below) payable to the respective Stalking Horse Purchaser under the applicable Stalking Horse Agreement as well as any

additional liabilities to be assumed by a Qualified Bidder and any additional costs which may be imposed on the applicable Seller(s). If a Stalking Horse Purchaser bids at the Auction, a Stalking Horse Purchaser will be entitled to credit bid on a dollar for dollar basis for any applicable Termination Fee and any applicable Expense Reimbursement. To the extent a Subsequent Bid has been accepted entirely or in part because of the addition, deletion or modification of a provision or provisions in the applicable Proposed Asset Purchase Agreement or the applicable Stalking Horse Agreement, the applicable Seller(s) will identify such added, deleted or modified provision or provisions and the applicable Qualified Bidders shall be given the opportunity to modify the applicable Stalking Horse Agreement in a manner that materially provides any additional value that factored into selecting a Subsequent Bid from another Qualified Bidder. The Sellers shall, in consultation with the Consultation Parties, determine whether an addition, deletion or modification of the Stalking Horse Agreement meets the standard of materially providing additional value. For the avoidance of doubt, a Stalking Horse Purchaser shall be entitled to submit additional bids and make modifications to the Stalking Horse Agreement at the Auction consistent with these Bid Procedures.

- h. With respect to Qualified Bids that bid on two or more of any of the Toprol Assets, the Vimovo Assets, the Canadian Assets, and/or any asset of Aralez Canada that would be transferred to the Canadian Purchaser pursuant to the Canadian Share Purchase Agreement, the applicable Sellers, after consultation with the Consultation Parties, reserve the right to require those Qualified Bidders at or before the Auction to allocate the purchase price between and/or among the Toprol Assets, the Vimovo Assets, the Canadian Assets, and/or any asset of Aralez Canada that would be transferred to the Canadian Purchaser pursuant to the Canadian Share Purchase Agreement, as applicable.
- i. The Auction may be adjourned as the Sellers, in consultation with the Consultation Parties, deem appropriate. Reasonable notice of such adjournment and the time and place (which shall be in New York City) for the resumption of the Auction shall be given to the Stalking Horse Purchasers, all other Qualified Bidders, the United States Trustee and the Consultation Parties.

9. Selection of Successful Bid

Prior to the conclusion of the Auction, each Seller, in consultation with its advisors and the applicable Consultation Parties, will review and evaluate each applicable Qualified Bid in accordance with the procedures set forth herein and determine which offer or group of offers is the highest or otherwise best offer or offers from among the applicable Qualified Bidders (including the applicable Stalking Horse Purchaser) submitted at or prior to the Auction by a Qualified Bidder (such bid or bids, as applicable, the "**Successful Bid(s)**") and the bidder(s) making such bid, the "**Successful Bidder(s)**") and communicate to the applicable Stalking Horse Purchaser(s) and the other applicable Qualified Bidders the identity of the Successful Bidder(s) and the material terms of the Successful Bid(s). The determination of the Successful Bid(s) by each Seller at the conclusion of the Auction shall be final, subject only to approval by the Bankruptcy Court as to Toprol Assets and Vimovo Assets and the Canadian Court as to the Canadian Assets.

Within two (2) business days after conclusion of the Auction, the Successful Bidder(s) shall complete and execute all agreements, contracts, instruments and other documents evidencing and containing the terms and conditions upon which the Successful Bid(s) was made. Within one (1) business day after conclusion of the Auction, the Sellers shall file a notice identifying the Successful Bidder(s) with the applicable Courts.

The applicable Sellers will sell the applicable Purchased Assets to the applicable Successful Bidder(s) pursuant to the terms of the applicable Successful Bid(s) upon the approval of such Successful Bid(s) by the Bankruptcy Court as to Toprol Assets and Vimovo Assets and the Canadian Court as to the Canadian Assets at the respective Sale Hearings.

10. Designation of Back-Up Bidder

Notwithstanding anything in the Bid Procedures to the contrary, if an Auction is conducted, the Qualified Bidder with the next highest or otherwise best bid at the Auction for the Toprol Assets, the Vimovo Assets, the Canadian Assets, and/or any asset of Aralez Canada that would be transferred to the Canadian Purchaser pursuant to the Canadian Share Purchase Agreement, as determined by the applicable Sellers, in the exercise of their business judgment, shall be deemed to have submitted the next highest or otherwise best bid (the "**Back-Up Bidder**") at the conclusion of the Auction and announced at the time to all Qualified Bidders participating therein. If there is more than one Successful Bid, the Sellers shall have the ability to designate a Back-Up Bidder for each Successful Bid.

If for any reason a Successful Bidder fails to consummate its Successful Bid within the time permitted after the entry of the Sale Orders, then the Sellers may deem the Back-Up Bidder for the applicable sale transaction to have the new Successful Bid, and the Sellers will be authorized, without further orders of the Courts, to consummate the transaction

with such Back-Up Bidder on the terms of its last bid; provided, that the applicable Sellers will file a written notice of the applicable transaction(s) with the Courts at least 24 hours in advance of the consummation of such transaction(s). Such applicable Back-Up Bidder will be deemed to be the Successful Bidder and the applicable Sellers will be authorized, but not directed, to effectuate a sale to such applicable Back-Up Bidder subject to the terms of the applicable Back-Up Bid without further orders of the Courts.

The applicable Back-Up Bid must remain open until the earlier of one (1) month after the designation of the Successful Bid (as defined below) at the Auction or the closing of the Sale(s) to the Successful Bidder(s) (the "**Outside Back-Up Date**"); provided, however, that in no event shall any Stalking Horse Bidder be required to keep their Stalking Horse Bid open except as specified in the applicable Stalking Horse Agreement. Notwithstanding any provision hereof, the Stalking Horse Purchasers obligation to act as a Back-Up Bidder shall be exclusively governed by the terms of the applicable Stalking Horse Agreement.

11. Good Faith Deposit

Except as otherwise provided in this paragraph with respect to any Successful Bid and any Back-Up Bid, if any, the Good Faith Deposits of all Qualified Bidders that submitted such a deposit under the Bid Procedures shall be returned upon or within three (3) business days after the Auction. The Good Faith Deposit of a Successful Bidder shall be held until the closing of the sale of the applicable Purchased Assets and applied in accordance with the Successful Bid. The Good Faith Deposit of any Back-Up Bidder shall be returned within three (3) business days after the applicable Outside Back-Up Date. If a Successful Bidder fails to consummate an approved sale because of a breach or failure to perform on the part of such Successful Bidder, the applicable Seller(s) will not have any obligation to return the applicable Good Faith Deposit deposited by such Successful Bidder, which may be retained by the applicable Seller(s) as liquidated damages, in addition to any and all rights, remedies and/or causes of action that may be available to the applicable Seller(s) at law or in equity, and, the applicable Seller(s) shall be free to consummate the proposed transaction at the next highest price bid at the Auction by a Qualified Bidder, without the need for an additional hearings or orders of the Courts. Notwithstanding any provision hereof, the terms pertaining to any good faith deposit submitted by a Stalking Horse Purchaser pursuant to a Stalking Horse Agreement (including, without limitation, the entitlements of the Stalking Horse Purchaser and any Seller to such good faith deposit and the timing of return of any good faith deposit to a Stalking Horse Purchaser) shall be exclusively governed by the terms of the applicable Stalking Horse Agreement.

12. Sale Is As Is/Where Is

Except as otherwise provided in any Stalking Horse Agreement, any Successful Bid or any order by the Courts approving any sale of the Toprol Assets, the Vimovo Assets, the Canadian Assets, and/or any asset of Aralez Canada that would be transferred to the

Canadian Purchaser pursuant to the Canadian Share Purchase Agreement, the Purchased Assets sold pursuant to these Bid Procedures shall be conveyed at the closing of the applicable purchase and sale in their then-present condition, "AS IS, WITH ALL FAULTS, AND WITHOUT ANY WARRANTY WHATSOEVER, EXPRESS OR IMPLIED."

C. THE BID PROTECTIONS

In recognition of the expenditure of time, energy, and resources, and because the agreement to make payment thereof is necessary to preserve the value of each of the Sellers' estates, the Sellers have agreed that, among other triggering events, if the: (i) Vimovo Purchaser is not the Successful Bidder with respect to the Vimovo Assets, the Vimovo Seller will pay the Vimovo Purchaser (a) an aggregate fee of approximately \$1,425,000, as more fully described in the Vimovo APA (as defined therein, the "**Vimovo Termination Fee**"), and (b) an amount in cash equal to the Expense Reimbursement (as such term is defined in the Vimovo APA (the "**Vimovo Expense Reimbursement**"), which is not to exceed \$425,000 whether incurred prior to or after August 10, 2018; and (ii) Canadian Purchaser is not the Successful Bidder with respect to the Canadian Assets, the Canadian Seller will pay the Canadian Purchaser (a) an aggregate fee of approximately \$2,187,500 as more fully described in the Canadian Share Purchase Agreement (as defined therein, the "**Canadian Termination Fee**", collectively with the Vimovo Termination Fee, the "**Termination Fees**"), and (b) an amount in cash equal to the Expense Reimbursement (as such term is defined in the Canadian Share Purchase Agreement (the "**Canadian Expense Reimbursement**," and collectively with the Vimovo Expense Reimbursement, the "**Expense Reimbursements**"), which is not to exceed \$575,000 or \$1,575,000, as the case may be, whether incurred prior to or after August 10, 2018. The Termination Fees and Expense Reimbursements shall be payable as provided for pursuant to the terms of the applicable Stalking Horse Agreements, and nothing herein shall be deemed to limit or otherwise modify the terms thereof, including other circumstances pursuant to which the applicable Termination Fee and applicable Expense Reimbursement may be payable.

The Vimovo Seller and the Canadian Seller have further agreed that, solely with respect to the the Vimovo Termination Fee, the Vimovo Expense Reimbursement, the Canadian Expense Reimbursement and the Canadian Termination Fee, their obligation to pay the Vimovo Termination Fee, the Vimovo Expense Reimbursement, the Canadian Expense Reimbursement and the Canadian Termination Fee pursuant to the applicable Stalking Horse Agreements shall survive termination of the applicable Stalking Horse Agreements, shall be payable under the terms and conditions of the applicable Stalking Horse Agreements and the orders approving the Bid Procedures, and (i) with respect to the Vimovo Seller, shall constitute an allowed superpriority administrative expense claim under section 503(b) of the Bankruptcy Code senior to all other administrative expenses and, if triggered, shall be payable from the proceeds from the sale of the Vimovo Assets, at the closing of such sale, free and clear of all liens (including those arising under the

DIP Financing Order) and (ii) with respect to the Canadian Seller, shall be secured by a priority charge under the CCAA.

Except for the Vimovo Stalking Horse Purchaser and Canadian Purchaser, no other party submitting a bid shall be entitled to any expense reimbursement, breakup fee, termination or similar fee or payment.

D. SALE HEARING

The Sellers will seek entry of separate orders from: the Bankruptcy Court, at a hearing (the "**U.S. Sale Hearing**") to begin at 11:00 a.m. (prevailing Eastern Time) on December 4, 2018 or as soon thereafter as counsel may be heard; and the Canadian Court, at a hearing (the "**Canadian Sale Hearing**" and together with the U.S. Sale Hearing, the "**Sale Hearings**") to take place on the earliest date available after December 4, 2018, to approve and authorize the sale transaction(s) to the Successful Bidder(s) (including without limitation the assumption and assignment to the Successful Bidders(s) of any executory contracts to be assigned to them in accordance with the Stalking Horse Agreement(s) or Proposed Asset Purchase Agreement(s), as applicable, at the Sale Hearing or such other hearing scheduled before the applicable Court) on terms and conditions determined in accordance with the Bid Procedures. A joint hearing before both the Courts may take place. The Stalking Horse Purchasers shall have standing to appear and be heard at any Sale Hearing with respect to all matters before the Court.

Notwithstanding anything herein, any Successful Bid on the Toprol Assets or the Vimovo Assets shall be subject to approval by the Bankruptcy Court and any Successful Bid on the Canadian Assets and/or any asset of Aralez Canada that would be transferred to the Canadian Purchaser pursuant to the Canadian Share Purchase Agreement shall be subject to approval by the Canadian Court.

E. CONSENT TO JURISDICTION

Each Court shall retain jurisdiction to hear and determine all matters arising from or relating to the implementation of the respective Court's Bid Procedures order and/or the bid documents as it pertains to assets and liabilities of the Toprol Seller and Vimovo Seller for the Bankruptcy Court, and as it pertains to assets and liabilities of the Canadian Seller for the Canadian Court, as the case may be. All Qualified Bidders at the Auction shall be deemed to have consented to the jurisdiction.

F. MISCELLANEOUS

Except as expressly provided under these Bid Procedures, the Auction and the Bid Procedures are solely for the benefit of the Sellers and the Stalking Horse Purchasers, and nothing contained in the orders approving the Bid Procedures or the Stalking Horse Agreements or the Bid Procedures shall create any rights in any other person or bidder (including without limitation rights as third-party beneficiaries or otherwise) other than

the rights expressly granted to a Successful Bidder under the orders approving the Bid Procedures.

The U.S. Debtors shall provide to the Committee weekly status reports, prompt responses to reasonable information requests (including regarding due diligence access made available to Potential Bidders), and reports of any consultation with Deerfield regarding the Bidding Process (either by copying counsel to the Committee on such communication or by promptly providing the Committee a copy or report of such communication).

Without prejudice to the rights of the Stalking Horse Purchasers under the terms of the Stalking Horse Agreements and the Bid Procedures Order, after consultation with the Consultation Parties, the Sellers may modify the rules, procedures and deadlines set forth herein, or adopt new rules, procedures and deadlines that, in their reasonable discretion (after consultation with the Consultation Parties, will better promote the goals of these procedures (namely, to maximize value for the estates); provided, however, that (a) the Sellers may not modify the Bid Protections afforded to each Stalking Horse Purchaser in accordance with the applicable Stalking Horse Agreement, unless agreed in writing by the applicable Stalking Horse Purchaser and Sellers or otherwise ordered by the Courts, and (b) the Committee shall be permitted to report to the Bankruptcy Court on an emergency basis if it determines the Debtors have modified, or adopted new, rules, procedures and deadlines that are inconsistent with the goals of these procedures and maximizing the value of the estates. For the avoidance of doubt, the Sellers may not modify the rules, procedures, or deadlines set forth herein, or adopt new rules, procedures, or deadlines that would impair the Stalking Horse Purchasers' right to payment of the Termination Fees or the Expense Reimbursements, as applicable, without the express written consent of the applicable Stalking Horse Bidder. All such modifications and additional rules will be communicated to each of the Notice Parties, the DIP Lenders, Potential Bidders, and Qualified Bidders (including the Stalking Horse Purchasers).

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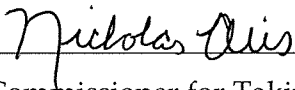
TAB B

EXHIBIT "B"

referred to in the Affidavit of

KATHRYN ESAW

Sworn October 10, 2018



Commissioner for Taking Affidavits

BID PROCEDURES

Set forth below are the bid procedures (the “Bid Procedures”) to be used by Aralez Pharmaceuticals Trading DAC (the “Toprol Seller”), POZEN Inc. ~~(and Aralez Pharamceuticals Trading DAC~~ (collectively, the “Vimovo Seller”) and together with the Toprol Seller, the “U.S. Sellers”), and Aralez Pharmaceuticals Inc. (the “Canadian Seller” and together with the Toprol Seller and Vimovo Seller, the “Sellers” and each a “Seller”) for the proposed sales of certain assets (collectively, the “Purchased Assets”) and assumption of certain liabilities, in the Toprol Seller’s and Vimovo Seller’s jointly administered chapter 11 cases pending in the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”), lead case number 18-12425 (MG), and the Canadian Seller’s restructuring proceedings pending in the Ontario Superior Court of Justice (Commercial List) (the “Canadian Court”, and collectively with the Bankruptcy Court, the “Courts”) commenced under the Companies’ Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended (“CCAA”), Court File No. CV-18-603054-00CL, pursuant to those certain:

- (I) Asset Purchase Agreement, dated September 18, 2018 (together with the schedules and related documents thereto, and as may be amended, supplemented or otherwise modified from time to time, the “Toprol APA”), regarding those assets defined in Section 2.1 of the Toprol APA (the “Toprol Assets”) by and among the Toprol Seller and Toprol Acquisition LLC (the “Toprol Purchaser”);
- (II) Asset Purchase Agreement, dated September 18, 2018 (together with the schedules and related documents thereto, and as may be amended, supplemented or otherwise modified from time to time, the “Vimovo APA”) regarding those assets defined in Section 2.1 of the Vimovo APA (the “Vimovo Assets”) by and among the Vimovo Seller and Nuvo Pharmaceuticals (Ireland) Limited (the “Vimovo Purchaser”); and
- (III) Share Purchase Agreement, dated September 18, 2018 (together with the schedules and related documents thereto, and as may be amended, supplemented or otherwise modified from time to time, the “Canadian Share Purchase Agreement”) regarding the shares (the “Canadian Assets”) of Aralez Pharmaceuticals Canada Inc. (“AP Canada”) by and among the Canadian Seller and Nuvo Pharmaceuticals Inc. (the “Canadian Purchaser”),

The Toprol APA, the Vimovo APA and the Canadian Share Purchase Agreement are collectively referred to herein as the “Stalking Horse Agreements” and each as a “Stalking Horse Agreement”, and the Toprol Purchaser, the Vimovo Purchaser and the Canadian Purchaser are collectively referred to herein as the “Stalking Horse Purchasers” and each as a “Stalking Horse Purchaser”).

The Toprol Purchaser has submitted a Qualified Bid (as defined below) for the Toprol Assets consisting of a credit bid in an aggregate amount equal to \$130,000,000 (the "**Toprol Stalking Horse Bid**") with such credit bid allocated as follows: (i) first, a credit in the amount of the obligations outstanding under that certain Senior Secured Super-Priority Debtor-In-Possession Credit Agreement, dated as of August 10, 2018 (as may be amended, supplemented or otherwise modified from time to time, the "**DIP Loan Agreement**"), by and among the Debtors, Deerfield Management Company, L.P., as administrative agent (in such capacity, the "**DIP Agent**"), Deerfield Private Design Fund III, L.P., as lender, and Deerfield Partners, L.P., as lender (in such capacity, the "**DIP Lenders**"), as of the Closing Date (the "**DIP Credit**") and (ii) second, for any amount remaining after crediting the DIP Credit, a dollar-for-dollar credit on account of the Pre-Petition First Lien Obligations in the amount of the remainder.

The Vimovo Purchaser has submitted a Qualified Bid (as defined below) for the Vimovo Assets consisting of an all cash purchase price of \$47,500,000 (the "**Vimovo Stalking Horse Bid**").

The Canadian Purchaser has submitted a Qualified Bid (as defined below) for the Canadian Assets consisting of an all cash purchase price of \$62,500,000 (the "**Canadian Stalking Horse Bid**", collectively with the Toprol Stalking Horse Bid and the Vimovo Stalking Horse Bid, the "**Stalking Horse Bids**" and each a "**Stalking Horse Bid**").

On [____], 2018, the Courts entered orders, which, among other things, authorized each of the Sellers to determine the highest or otherwise best offers for the Purchased Assets through the Bid Procedures (the "**Bidding Procedures Orders**").

The sale transactions pursuant to the Stalking Horse Agreements are subject to competitive bidding as set forth herein.

A. ASSETS TO BE SOLD

The Sellers seek to complete sales of the Purchased Assets and the assumption of the Assumed Liabilities described in Sections 2.1 and 2.2 of the Toprol APA and Sections 2.1 and 2.2 of the Vimovo APA and the sale of the Purchased Shares described in Section 2.1 of the Canadian Share Purchase Agreement.

Except as otherwise provided in the Stalking Horse Agreements or such other approved purchase agreement of the Successful Bidder(s) (as defined below), all of each Seller's respective right, title and interest in and to the Toprol Assets, the Vimovo Assets and the Canadian Assets to be acquired shall be sold free and clear of all liens, claims, interests, charges, restrictions and encumbrances of any kind or nature thereon (collectively, the "**Liens**"), except for permitted encumbrances and assumed liabilities as may be specified in the applicable Stalking Horse Agreement, and with any such Liens to attach solely to the net proceeds of the sale of each applicable Purchased Asset.

A party may participate in the ~~bidding process~~ Bidding Process by submitting a Qualified Bid (as defined below) for any or all of (a) the Toprol Assets, (b) the Vimovo Assets, ~~and~~ (c) the Canadian Assets, and/or (d) any asset of Aralez Canada that would be transferred to the Canadian Purchaser pursuant to the Canadian Share Purchase Agreement.

B. THE BID PROCEDURES

To ensure that each Seller receives the maximum value for the applicable Purchased Asset, the Stalking Horse Agreements are subject to higher or otherwise better offers at the Auction in accordance with these Bid Procedures, and, as such, the Toprol APA will serve as the “stalking horse” bid for the Toprol Assets, the Vimovo APA will serve as the “stalking horse” bid for the Vimovo Assets and the Canadian Share Purchase Agreement will serve as the “stalking horse” bid for the Canadian Assets.

1. Key Dates

The key dates for the process contemplated herein are as follows:¹

Sale Timeline	
Bid Deadline	November 19,26 , 2018 at 5:00 p.m. prevailing ET
Deadline to Notify Qualified Bidders	November 21,28 , 2018 at 5:00 p.m. prevailing ET
Auction (if required)	November 27,29 , 2018 at 11 :00 ap .m. prevailing ET
Notice of Successful Bidders	November 28 , <u>December 3</u> , 2018 at 5:00 p.m. prevailing ET
Sale Hearing	November 29 , <u>December 4</u> , 2018 at 11:00 a.m. prevailing ET (Bankruptcy Court) The earliest date available after November 29 , <u>December 4</u> , 2018 (Canadian Court)

¹ These dates are subject to extension or adjournment as provided for herein and in consultation with the Consultation Parties (as defined below).

2. Confidentiality

In order to participate in the ~~bidding process~~Bidding Process, each person other than a Stalking Horse Purchaser who wishes to participate in the ~~bidding process~~Bidding Process (a "**Potential Bidder**") must provide an executed confidentiality agreement (to be delivered prior to the distribution of any confidential information by any Seller to any Potential Bidder) in form and substance satisfactory to the applicable Seller, on terms ~~not less favorable to the applicable Seller than~~substantially similar to those contained in the confidentiality agreement signed by the applicable Stalking Horse Purchaser, ~~and without limiting the foregoing, each confidentiality agreement executed by such a Potential Bidder shall contain standard non-solicitation provisions.~~

3. Due Diligence

The Sellers will afford any Potential Bidder that signs an executed confidentiality agreement in accordance with paragraph 2 above such due diligence access or additional information as the Sellers, in consultation with their advisors, deem appropriate, in their discretion and within their reasonable business judgment. The Sellers will use good faith efforts to provide to the Stalking Horse Purchasers access to written information made available to any Qualified Bidder, as applicable to the respective assets, business and/or shares being purchased, if not previously made available to the Stalking Horse Purchaser(s).

The due diligence period shall end on the Bid Deadline, and none of the Sellers nor any of their representatives shall be obligated to furnish any due diligence information to any Qualified Bidder (as defined below) (other than a Successful Bidder (as defined below)) after the Bid Deadline. For the avoidance of doubt, none of the Sellers nor any of their representatives shall be obligated to furnish any due diligence information to any person other than a Qualified Bidder as provided above.

4. Provisions Governing Qualified Bids

A bid submitted will be considered a "**Qualified Bid**" only if the bid complies with all of the following, in which case the party submitting the bid shall be a "**Qualified Bidder**":

- a. it discloses whether the bid is for some or all of each of the Toprol Assets, the Vimovo Assets ~~and/or~~, the Canadian Assets, and/or any asset of Aralez Canada that would be transferred to the Canadian Purchaser pursuant to the Canadian Share Purchase Agreement;
- b. it fully discloses the identity of each entity that will be bidding for or purchasing some or all of each of the Toprol Assets, the Vimovo Assets ~~and/or~~, the Canadian Assets, and/or any asset of Aralez Canada that would be transferred to the Canadian Purchaser pursuant to the Canadian Share Purchase Agreement, including any equity holders in

the case of a Potential Bidder which is an entity specially formed for the purpose of effectuating the contemplated transaction, or otherwise participating in connection with such bid (including any co-bidder or team bidder), and the complete terms of any such participation, including any agreements, arrangements or understandings concerning a collaborative or joint bid or any other combination concerning the proposed bid. A bid must also fully disclose any connections or agreements with the Sellers, the Stalking Horse Purchasers or any other known bidders, Potential Bidder or Qualified Bidder, and/or any officer, director or equity security holder of the Sellers;

- c. it states that the applicable Qualified Bidder offers to purchase, and has a bona fide interest in purchasing, in cash, some or all of each of the Toprol Assets, the Vimovo Assets, the Canadian Assets, and/or any asset of Aralez Canada that would be transferred to the Canadian Assets Purchaser pursuant to the Canadian Share Purchase Agreement, upon terms and conditions that the applicable Seller(s) reasonably determines, after consultation with the Consultation Parties (defined below), is at least as favorable to the applicable Seller(s) as those set forth in the applicable Stalking Horse Agreement(s) (or pursuant to an alternative structure that the Seller(s) reasonably determines, after consultation with the Consultation Parties (defined below), is no less favorable to the Seller(s) than the terms and conditions of the applicable Stalking Horse Agreement(s)). For the avoidance of doubt, any Qualified Bid must, either on its own or when considered together with other Qualified Bid(s), provide value in excess of the applicable Stalking Horse Agreement(s) plus the applicable Termination Fee, Expense Reimbursement (each as defined below) and minimum overbid requirements detailed below in Sections 4(k)-(m);
- d. it provides a description of any anticipated regulatory or governmental approvals necessary to consummate the bid;
- e. it includes a commitment to close the transactions within the timeframe contemplated by the applicable Stalking Horse Agreement;
- f. it includes a signed writing that the Qualified Bidder's offer is irrevocable unless and until the applicable Seller(s) accept a higher or otherwise better bid and such Qualified Bidder is not selected as a Back-Up Bidder (as defined below); provided that if such Qualified Bidder is selected as the Successful Bidder (as defined below), its offer shall remain irrevocable until ~~three (3) months after the execution of the applicable Stalking Horse Agreement or Proposed Asset Purchase Agreement (as defined herein)~~ the earlier of one (1) month after the

designation of the Successful Bid (as defined below) at the Auction or the closing of the Sale(s) to the Successful Bidder(s). Such writing shall guarantee performance of the Qualified Bidder by its parent entities, if any, or provide such other guarantee of performance acceptable to the Seller(s);

- g. it shall be accompanied by a deposit into escrow with the applicable Seller(s) of an amount in cash equal to 4% of the purchase price (the **“Good Faith Deposit”**);
- h. it includes confirmation that all necessary internal and shareholder approvals have been obtained prior to the bid;
- i. it includes a duly authorized and executed copy of an asset purchase agreement, including the purchase price for the specific Toprol Assets, the Vimovo Assets ~~and/or~~, the Canadian Assets, and/or any asset of Aralez Canada that would be transferred to the Canadian Purchaser pursuant to the Canadian Share Purchase Agreement, or a combination thereof, expressed in U.S. Dollars, together with all exhibits and schedules thereto, together with copies marked to show any amendments and modifications to the applicable Stalking Horse Agreement(s) (collectively, the **“Proposed Asset Purchase Agreement”**) and proposed forms of orders to approve the sale by each of the applicable Courts, together with a copy marked to show amendments and modifications to the proposed form(s) of sale approval order(s) attached to the motions approving the sale of the respective Purchased Assets to the applicable Stalking Horse Purchaser; provided, however, that such Proposed Asset Purchase Agreement shall not include any financing or diligence conditions, or any other conditions that are less favorable to the Seller(s) than the conditions in the applicable Stalking Horse Agreement;
- j. if such bid is for the Vimovo Assets, including any patent related to a Licensed Product (as such term is defined in the Genus Amendment), the Proposed Asset Purchase Agreement includes a provision pursuant to which the bidder affirmatively assumes the Assumed Obligations (as such term is defined in the Genus Amendment);
- k. it includes written evidence of (i) sufficient cash on hand to fund the purchase price or (ii) sources of immediately available funds that are not conditioned on third-party approvals or commitments, in each case, that will allow the Seller(s) to make a reasonable determination as to the Qualified Bidder’s financial and other capabilities to consummate the transaction contemplated by the Proposed Asset Purchase Agreement. Such written evidence shall include the most current audited and the

most current unaudited financial statements, or such other financial information of the Qualified Bidder as may be acceptable to the Seller(s), in consultation with the Consultation Parties (as defined below) (collectively, the “**Financials**”), or, if the Qualified Bidder is an entity formed for the purpose of acquiring some or all of each of the Toprol Assets, the Vimovo Assets ~~and/or~~ the Canadian Assets, and/or any asset of Aralez Canada that would be transferred to the Canadian Purchaser pursuant to the Canadian Share Purchase Agreement, the Financials of the Qualified Bidder’s equity holder(s) or other financial backer(s) that are guaranteeing the Qualified Bidder’s performance; provided that if a Potential Bidder is unable to provide Financials, the Seller(s) may accept such other information sufficient to demonstrate to each Seller’s reasonable satisfaction, after consultation with the Consultation Parties (as defined below), that such Potential Bidder has the financial wherewithal to consummate the applicable sale transaction. The Potential Bidder also must establish that it has the financial ability to consummate its proposed transaction within the timeframe contemplated for consummation of the applicable Stalking Horse Agreement.

- i. with respect to the Toprol Assets, it (in combination with any other bids for some or all of such assets) provides for a cash purchase price that exceeds the aggregate cash consideration to be paid to or for the benefit of the Toprol Seller’s estate set forth in the Toprol APA by at least ~~\$1,000,000, which represents the sum of: (i) the Toprol Expense Reimbursement (as defined below) (not to exceed \$500,000), plus (ii)~~ \$500,000, and otherwise has a value to the Toprol Seller, in its exercise of its reasonable business judgment, after consultation with its advisors and the Consultation Parties (as defined below), that is greater or otherwise better than the value offered under the Toprol APA (including impact of any liabilities assumed in the Toprol APA);
- m. with respect to the Vimovo Assets, it (in combination with any other bids for some or all of such assets) provides for a cash purchase price that exceeds the aggregate cash consideration to be paid to or for the benefit of the Vimovo Seller’s estates set forth in the Vimovo APA by at least ~~\$2,587,500, 2,350,000,~~ which represents the sum of: (i) the Vimovo Termination Fee (as defined below) of ~~\$1,662,500, 1,425,000,~~ plus (ii) the Vimovo Expense Reimbursement (as defined below) (not to exceed \$425,000), plus (iii) \$500,000 and otherwise has a value to the Vimovo Seller, in its exercise of its reasonable business judgment, after consultation with its advisors and the Consultation Parties (as defined below), that is greater or otherwise better than the value offered under

the Vimovo APA (including impact of any liabilities assumed in the Vimovo APA);

- n. with respect to the Canadian Assets, it (in combination with any other bids for some or all of such assets) provides for a cash purchase price that exceeds the aggregate cash consideration to be paid to or for the benefit of the Canadian Seller's estates set forth in the Canadian Share Purchase Agreement by at least \$3,262,500, which represents the sum of: (i) the amount of the Canadian Termination Fee (as defined below) of \$2,187,500, plus (ii) the Canadian Expense Reimbursement (as defined below) (not to exceed \$575,000), plus (iii) \$500,000 and otherwise has a value to the Canadian Seller, in its exercise of its reasonable business judgment, after consultation with its advisors and the Consultation Parties (as defined below), that is greater or otherwise better than the value offered under the Canadian Share Purchase Agreement (including impact of any liabilities assumed in the Canadian Share Purchase Agreement);
- o. it identifies with particularity which Executory Contracts and Unexpired Leases the Qualified Bidder wishes to assume and provides details of the Qualified Bidder's proposal for the treatment of related Cure Amounts, and contains sufficient information concerning the Qualified Bidder's ability to provide adequate assurance of performance with respect to Executory Contracts and Unexpired Leases to be assumed and assigned, including the legal name of any proposed assignee of a proposed assumed Executory Contract and the proposed use of any leased premises, in a form that will permit immediate dissemination to the Consultation Parties (as defined below) and the counterparties to such contracts and leases;
- p. it includes an acknowledgement and representation that the Qualified Bidder: (i) has had an opportunity to conduct any and all required due diligence regarding acquiring the applicable Toprol Assets, the Vimovo Assets ~~and/or~~ the Canadian Assets, and/or any asset of Aralez Canada that would be transferred to the Canadian Purchaser pursuant to the Canadian Share Purchase Agreement, prior to making its offer; (ii) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Toprol Assets, the Vimovo Assets ~~and/or~~ the Canadian Assets, and/or any asset of Aralez Canada that would be transferred to the Canadian Purchaser pursuant to the Canadian Share Purchase Agreement, in making its bid; (iii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the Toprol Assets, the Vimovo

- Assets ~~and/or~~ the Canadian Assets, and/or any asset of Aralez Canada that would be transferred to the Canadian Purchaser pursuant to the Canadian Share Purchase Agreement, or the completeness of any information provided in connection therewith or with the Auction (defined below), except as expressly stated in the Proposed Asset Purchase Agreement; and (iv) is not entitled to any expense reimbursement, break-up fee, termination fee, or similar type of payment in connection with its bid;
- q. it includes evidence, in form and substance satisfactory to the applicable Seller(s), of authorization and approval from the Qualified Bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the Proposed Asset Purchase Agreement;
 - r. it provides such other guarantee of performance or assurance acceptable to the applicable Seller(s) in their discretion;
 - s. it states that the Qualified Bidder consents to the jurisdiction of the Courts, as applicable;
 - t. it contains such other information reasonably requested by the applicable Seller(s);
 - u. it does not contain any condition to closing of the proposed sale on the receipt of any third party approvals not already required in any applicable Stalking Horse Agreement (excluding court approval and any applicable required governmental and/or regulatory approval) or which the Sellers, after consultation with the Consultation Parties, determine, in their reasonable business judgment, would be a material impediment to a timely closing of such transaction;
 - v. it expressly states that the prospective bidder agrees to serve as a Back-Up Bidder if such bidder's Qualified Bid is selected as the next highest and best bid after the Successful Bid pursuant to Section B(4)(f) of these Bid Procedures; and
 - w. ~~it~~ it is received by the applicable Notice Parties (as defined in, and in accordance with, Section B.5) on or prior to the 5:00 p.m. (prevailing Eastern Time) on November 19, 26, 2018 (the "Bid Deadline"), and such Bid Deadline may be extended by the Sellers after consultation with the Consultation Parties (as defined below), with the consent of the Stalking Horse Purchasers or by order of the Courts.

Non-Conforming Bids; Non-Solicitation. Notwithstanding anything to the contrary in these Bid Procedures, the Sellers, in consultation with the Consultation Parties (as defined below), shall have the right to entertain any bid that does not conform to one or more of the requirements herein and deem such bid a Qualified Bid (a “**Non-Conforming Bid**”); provided, however, that such Non-Conforming Bid so entertained by the Sellers must nevertheless meet each of the following: (a) the Good Faith Deposit must be made in the amount specified above; (b) the bid must meet the minimum overbid requirements set forth in Sections 4(k)-(m) above in respect to the specific assets which it would encompass; (c) any subsequent bid must meet the requirements set forth in Section 8(g) below in respect to the specific assets which it would encompass; and (d) any condition to closing set forth in the applicable Proposed Asset Purchase Agreement cannot be more onerous (in any material respect) to the applicable Seller(s) than any similar conditions set forth in the Toprol APA, Vimovo APA, and/or Canadian Share Purchase Agreement, as applicable. For the avoidance of doubt, any Non-Conforming Bid may be for the purchase of any combination of some or all of the Toprol Assets, the Vimovo Assets, the Canadian Assets and/or any asset of Aralez Canada that would be transferred to the Canadian Purchaser pursuant to the Canadian Share Purchase Agreement.

Notwithstanding anything in these Bid Procedures to the contrary, the Toprol Purchaser is deemed to be a Qualified Bidder with respect to the Toprol Assets, the Vimovo Purchaser is deemed to be a Qualified Bidder with respect to the Vimovo Assets, the Canadian Purchaser is deemed to be a Qualified Bidder with respect to the Canadian Assets, the respective Stalking Horse Bids are deemed to be Qualified Bids in respect to the assets subject to each such Bid for all purposes in connection with the Bid Procedures, the Auction, and the respective sales, and the Stalking Horse Purchasers shall not be required to take any further action in order to attend and participate in the Auction (if any) or, if a Stalking Horse Purchaser is a Successful Bidder (as defined below), to be named a Successful Bidder at the Sale Hearing (as defined below).

The DIP Agent, on behalf of the DIP Lenders and the Prepetition Lenders, shall, at its sole discretion, also be a Qualified Bidder and may submit such bid and/or Subsequent Bids (as defined below) in cash, cash equivalents or other forms of consideration, including a credit bid, either in whole or in part, to the extent permitted under and consistent with section 363(k) of the Bankruptcy Code or the CCAA, as applicable, up to the full allowed amount of their claims, which credit bid(s) shall be deemed as a part of a Qualified Bid and/or Subsequent Bid in connection with the ~~bidding process~~ Bidding Process, the Auction, and the respective sales regarding the Toprol Assets, the Vimovo Assets ~~and/or~~, the Canadian Assets ~~and/or any asset of Aralez Canada that would be transferred to the Canadian Purchaser pursuant to the Canadian Share Purchase Agreement.~~

Any credit bid for the U.S. Sellers’ assets shall be subject to the challenge rights established pursuant to the *Final Order (I) Authorizing Debtors to Obtain Postpetition Financing; (II) Granting Liens, Security Interests and Superpriority Status; (III) Authorizing Use of Cash Collateral; (IV) Affording Adequate Protection; (V) Modifying*

the Automatic Stay; and (VI) Granting Related Relief [Docket No. 98] (the “DIP Financing Order”).

The Sellers, after consultation with the Consultation Parties (as defined below), will make a determination regarding which bids qualify as Qualified Bids. The Sellers shall promptly notify each Qualified Bidder in writing as to whether or not their bid constitutes a Qualified Bid. The Sellers shall also notify the Stalking Horse Purchasers and all other Qualified Bidders in writing (which may be an email) as to whether or not any bids constitute Qualified Bids no later than one day after the notification to any Qualified Bidder that its bid constitutes a Qualified Bid and provide a copy of all Qualified Bids (excluding the Stalking Horse Agreements). The notices described in this paragraph shall not be given later than ~~one~~two (~~1~~2) business ~~day~~days following the expiration of the Bid Deadline.

Consultation Parties. The “**Consultation Parties**” are (a) the DIP Agent, (b) Richter Advisory Group Inc., in its capacity as Monitor to the Canadian Seller (the “**Monitor**”), with respect to the Canadian Assets and Vimovo Assets, or any other assets proposed to be purchased that are conditioned upon the purchase of the Canadian Assets, (c) counsel to the Monitor; ~~and (d) counsel to any statutory committee,~~ with respect to the Canadian Assets and Vimovo Assets, or any other assets proposed to be purchased that are conditioned upon the purchase of the Canadian Assets; and (d) counsel to the Official Committee of Unsecured Creditors (the “Committee”) appointed in the Sellers’ bankruptcy cases, and each of their respective counsel and advisors with respect to the Toprol Assets and the Vimovo Assets. Notwithstanding anything herein to the contrary, the Sellers shall not be required to consult with any Consultation Party during the bidding and Auction process to the extent such Consultation Party is a Potential Bidder, a Qualified Bidder, or a financing source for a bidder, including, if the Sellers determine, in their reasonable business judgment (after consultation with the Committee with respect to the U.S. Sellers), that consulting with such Consultation Party regarding any issue, selection or determination would be likely to have a chilling effect on potential bidding or otherwise be contrary to goal of maximizing value for the applicable Seller’s estate from the sale process (and the Committee shall be permitted to report to the Bankruptcy Court on an emergency basis if it determines the Debtors are consulting with a Consultation Party in a manner that is inconsistent with the goal of maximizing value).

Subject to the terms of any orders entered by the Courts, after consultation with the Consultation Parties, each Seller shall have the right and obligation to make all decisions regarding the applicable Bids and the Auction as provided herein as it determines to be in the best interest of its estate, whether or not the Consultation Parties agree with that decision.

5. Bid Deadline

A Qualified Bidder that desires to make a bid regarding some or all of each of the Toprol Assets and/or the Vimovo Assets must deliver written copies of its bid, so as to be received on or before the Bid Deadline, to each of the following parties (the “**U.S. Notice Parties**”):

(a) counsel to the Sellers: Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, New York 10019 (Attn: Paul V. Shalhoub, Esq. (pshalhoub@willkie.com) and Robin Spigel, Esq. (rspigel@willkie.com)); and

~~(b) counsel to Deerfield: Katten Muchin Rosenman LLP, 525 West Monroe Street, Chicago, Illinois 60661 (Attn: Peter A. Siddiqui, Esq. (peter.siddiqui@kattenlaw.com)) and Katten Muchin Rosenman LLP, 575 Madison Avenue, New York, New York 10022 (Attn: Steven J. Reisman, Esq. (sreisman@kattenlaw.com)) and Bennett Jones LLP, 3400 First Canadian Place, 100 King Street West, Toronto, Ontario M5X 1A4 Canada (Attn: Sean Zweig, Esq. (zweigs@bennettjones.com)); and (e) proposed counsel to the Official Committee of Unsecured Creditors: Brown Rudnick LLP, 7 Times Square, New York, New York 10036 (Attn: Robert J. Stark, Esq. (rstark@brownrudnick.com) and Howard S. Steel, Esq. (hsteel@brownrudnick.com)).~~

A Qualified Bidder that desires to make a bid regarding some or all of each of the Canadian Assets must deliver written copies of its bid, so as to be received on or before the Bid Deadline, to each of the following parties (the “**Canadian Notice Parties**”, collectively with the U.S. Notice Parties, the “**Notice Parties**”):

(a) counsel to the Canadian Seller: Stikeman Elliott LLP, 5300 Commerce Court West, 199 Bay Street, Toronto, Ontario M5Y 1B9 Canada (Attn: Ashley Taylor (ataylor@stikeman.com) and Jonah Mann (jmann@stikeman.com));

~~(b) counsel to Deerfield: Katten Muchin Rosenman LLP, 525 West Monroe Street, Chicago, Illinois 60661 (Attn: Peter A. Siddiqui, Esq. (peter.siddiqui@kattenlaw.com)) and Katten Muchin Rosenman LLP, 575 Madison Avenue, New York, New York 10022 (Attn: Steven J. Reisman, Esq. (sreisman@kattenlaw.com)) and Bennett Jones LLP, 3400 First Canadian Place, 100 King Street West, Toronto, Ontario M5X 1A4 Canada (Attn: Sean Zweig (zweigs@bennettjones.com)); (e) the Monitor: Richter Advisory Group, 3320 Bay Wellington Tower, 181 Bay Street, Toronto, Ontario M5J 2T3 (Attn: Paul Van Eyk (pvaneyk@richter.ca)); and (d) its counsel to the Monitor: Torys LLP, 3000 TD South Tower, 79 Wellington Street West, Toronto, Ontario M5K 1N2 (Attn: David Bish (dbish@torys.com)); and~~

(c) proposed counsel to the Committee: Brown Rudnick LLP, 7 Times Square, New York, New York 10036 (Attn: Robert J. Stark, Esq.

(rstark@brownrudnick.com) and Howard S. Steel, Esq. (hsteel@brownrudnick.com)).

6. Evaluation of Competing Bids

A Qualified Bid will be valued based upon several factors including, without limitation: (a) the amount of such bid (including value provided by the assumption of liabilities); (b) the risks and timing associated with consummating such bid; (c) any proposed revisions to the applicable Stalking Horse Agreement (including any additional conditions to closing); ~~and~~ (d) any assets included or excluded from the Qualified Bid, including any Executory Contracts and Unexpired Leases; (e) the likelihood of the bidders' ability to close a transaction, the conditions thereof and the timing thereof; (f) any purchase-price adjustments; (g) indemnification or similar provisions; (h) the net economic effect of any changes to the value to be received by the applicable Seller's estate from the transaction contemplated by the bid; (h) whether the Bid is a bid for all or some of the Toprol Assets, the Vimovo Assets, the Canadian Assets, and/or any asset of Aralez Canada that would be transferred to the Canadian Purchaser pursuant to the Canadian Share Purchase Agreement; and (i) any other factors deemed relevant by the applicable Seller(s); in consultation with the Consultation Parties.

7. No Qualified Bids

If a Seller does not receive a Qualified Bid with respect to any of the Toprol Assets, Vimovo Assets or Canadian Assets other than the applicable Stalking Horse Bid, such Seller, after consultation with the Consultation Parties, will not hold an Auction (as defined below) with respect to such Purchased Assets and the applicable Stalking Horse Purchaser will be deemed the Successful Bidder on the Bid Deadline with respect to such Purchased Assets.

8. Auction Process

If one or more Seller receives one or more Qualified Bids with respect to any of the Toprol Assets, Vimovo Assets or Canadian Assets in addition to the applicable Stalking Horse Bid, such Seller(s) will conduct auction(s) (the "**Auction**") of the applicable Purchased Assets (which the Sellers intend to transcribe) at ~~11~~11:00 ~~ap~~ap.m. (prevailing Eastern Time) on November ~~27, 29,~~ 2018, at the offices of Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, NY 10019, or such other location as shall be timely communicated by the Sellers to all entities entitled to attend the Auction. The Auction shall be conducted in accordance with the following procedures:

- a. only the Sellers, the Notice Parties, the DIP Lenders, the Stalking Horse Purchasers, ~~and~~ any other Qualified Bidders, and the Consultation Parties, in each case along with their representatives and advisors, shall be entitled to attend the Auction (such attendance to be in person);

- b. only the Stalking Horse Purchasers and such other Qualified Bidders will be entitled to participate as bidders in, or make any subsequent bids at, the Auction; provided that all such Qualified Bidders wishing to attend the Auction must have at least one individual representative with authority to bind such Qualified Bidder attending the Auction in person;
- c. each Qualified Bidder shall be required to confirm that it has not engaged in any collusion with respect to the bidding or the sale;
- d. at least one (1) business day prior to the Auction, each Qualified Bidder must inform the applicable Seller(s) whether it intends to attend the Auction; provided that in the event a Qualified Bidder elects not to attend the Auction, such Qualified Bidder's Qualified Bid shall, subject to the terms of the Stalking Horse Agreements, nevertheless remain fully enforceable against such Qualified Bidder until (i) the date of the selection of the applicable Successful Bidder (as defined below) at the conclusion of the Auction, or (ii) if selected as the Successful Bidder, until ~~three (3) the earlier of one (1) months after the execution of the applicable Stalking Horse Agreement or Proposed Asset Purchase Agreement~~ month after the designation of the Successful Bid (as defined below) at the Auction or the closing of the Sale(s) to the Successful Bidder(s). No later than one (1) day prior to the start of the Auction, the Sellers will provide copies of the Qualified Bid or Qualified Bids which the applicable Seller, after consultation with the Consultation Parties, believes, ~~in its discretion,~~ is the highest or otherwise best offer for the Toprol Assets (the "**Toprol Starting Bid**"), the Vimovo Assets (the "**Vimovo Starting Bid**") and the Canadian Assets (the "**Canadian Starting Bid**", collectively, the "**Starting Bids**" and each a "**Starting Bid**") to the Stalking Horse Purchasers and all other Qualified Bidders;
- e. all Qualified Bidders who have timely submitted Qualified Bids will be entitled to be present for all Subsequent Bids (as defined below) at the Auction and the actual identity of each Qualified Bidder will be disclosed on the record at the Auction;
- f. the Sellers, after consultation with their advisors and the Consultation Parties, may employ and announce at the Auction additional procedural rules that are reasonable under the circumstances for conducting the Auction, provided that such rules are: (i) not inconsistent with these Bid Procedures, title 11 of the United States Code (the "**Bankruptcy Code**") as to the Toprol Assets and Vimovo Assets and the CCAA as to the assets and liabilities of the Canadian Assets, any order of the Bankruptcy Court or Canadian Court, as applicable, entered in connection herewith or the Stalking Horse Agreements; (ii) provide that

bids be made and received on an open basis, with all material terms of each bid to be fully disclosed to all other Qualified Bidders at the Auction; and (iii) are disclosed to each Qualified Bidder at the Auction;

- g. bidding at the Auction will begin with the Starting Bids and continue in bidding increments (each a “**Subsequent Bid**”) providing a net value to the applicable estate of at least an additional: (i) \$1,000,000 above the prior bid for the Toprol Assets, (ii) \$500,000 above the prior bid for the Vimovo Assets and (iii) \$500,000 above the prior bid for the Canadian Assets. After the first round of bidding and between each subsequent round of bidding, the Sellers shall announce the bid (including the identity of the bidder or bidders and the value of such bid(s)) that they believe to be the highest or otherwise best offer for the Toprol Assets, the Vimovo Assets ~~and~~ the Canadian Assets, and/or any asset of Aralez Canada that would be transferred to the Canadian Purchaser pursuant to the Canadian Share Purchase Agreement (individually or collectively, as applicable, the “**Highest Bid**”). A round of bidding will conclude after each participating Qualified Bidder has had the opportunity to submit a Subsequent Bid with full knowledge of the then Highest Bid. For the purpose of evaluating the value of the consideration provided by the Subsequent Bids (including any Subsequent Bid by any Stalking Horse Purchaser), the Sellers will give effect (on a dollar for dollar basis) to any applicable Termination Fee (as defined below) and any applicable Expense Reimbursement (as defined below) payable to the respective Stalking Horse Purchaser under the applicable Stalking Horse Agreement as well as any additional liabilities to be assumed by a Qualified Bidder and any additional costs which may be imposed on the applicable Seller(s). If a Stalking Horse Purchaser bids at the Auction, a Stalking Horse Purchaser will be entitled to credit bid on a dollar for dollar basis for any applicable Termination Fee and any applicable Expense Reimbursement. To the extent a Subsequent Bid has been accepted entirely or in part because of the addition, deletion or modification of a provision or provisions in the applicable Proposed Asset Purchase Agreement or the applicable Stalking Horse Agreement, the applicable Seller(s) will identify such added, deleted or modified provision or provisions and the applicable Qualified Bidders shall be given the opportunity to modify the applicable Stalking Horse Agreement in a manner that materially provides any additional value that factored into selecting a Subsequent Bid from another Qualified Bidder. The Sellers shall, in consultation with the Consultation Parties, determine whether an addition, deletion or modification of the Stalking Horse Agreement meets the standard of materially providing additional value. For the avoidance of doubt, a Stalking Horse Purchaser shall be entitled to

submit additional bids and make modifications to the Stalking Horse Agreement at the Auction consistent with these Bid Procedures.

- h. With respect to Qualified Bids that bid on two or more of any of the Toprol Assets, the Vimovo Assets ~~and~~ the Canadian Assets, and/or any asset of Aralez Canada that would be transferred to the Canadian Purchaser pursuant to the Canadian Share Purchase Agreement, the applicable Sellers, after consultation with the Consultation Parties, reserve the right to require those Qualified Bidders at or before the Auction to allocate the purchase price between and/or among the Toprol Assets, the Vimovo Assets ~~and/or~~ the Canadian Assets, and/or any asset of Aralez Canada that would be transferred to the Canadian Purchaser pursuant to the Canadian Share Purchase Agreement, as applicable.
- i. The Auction may be adjourned as the Sellers, in consultation with the Consultation Parties, deem appropriate. Reasonable notice of such adjournment and the time and place (which shall be in New York City) for the resumption of the Auction shall be given to the Stalking Horse Purchasers, all other Qualified Bidders, the United States Trustee and the Consultation Parties.

9. Selection of Successful Bid

Prior to the conclusion of the Auction, each Seller, in consultation with its advisors and the applicable Consultation Parties, will review and evaluate each applicable Qualified Bid in accordance with the procedures set forth herein and determine which offer or group of offers is the highest or otherwise best offer or offers from among the applicable Qualified Bidders (including the applicable Stalking Horse Purchaser) submitted at or prior to the Auction by a Qualified Bidder (such bid or bids, as applicable, the “**Successful Bid(s)**” and the bidder(s) making such bid, the “**Successful Bidder(s)**”) and communicate to the applicable Stalking Horse Purchaser(s) and the other applicable Qualified Bidders the identity of the Successful Bidder(s) and the material terms of the Successful Bid(s). The determination of the Successful Bid(s) by each Seller at the conclusion of the Auction shall be final, subject only to approval by the Bankruptcy Court as to Toprol Assets and Vimovo Assets and the Canadian Court as to the Canadian Assets.

Within two (2) business days after conclusion of the Auction, the Successful Bidder(s) shall complete and execute all agreements, contracts, instruments and other documents evidencing and containing the terms and conditions upon which the Successful Bid(s) was made. Within one (1) business day after conclusion of the Auction, the Sellers shall file a notice identifying the Successful Bidder(s) with the applicable Courts.

The applicable Sellers will sell the applicable Purchased Assets to the applicable Successful Bidder(s) pursuant to the terms of the applicable Successful Bid(s) upon the approval of such Successful Bid(s) by the Bankruptcy Court as to Toprol Assets and Vimovo Assets and the Canadian Court as to the Canadian Assets at the respective Sale Hearings.

10. Designation of Back-Up Bidder

Notwithstanding anything in the Bid Procedures to the contrary, if an Auction is conducted, the Qualified Bidder with the next highest or otherwise best bid at the Auction for the Toprol Assets, the Vimovo Assets ~~and~~ the Canadian Assets, and/or any asset of Aralez Canada that would be transferred to the Canadian Purchaser pursuant to the Canadian Share Purchase Agreement, as determined by the applicable Sellers, in the exercise of their business judgment, shall be deemed to have submitted the next highest or otherwise best bid (the “**Back-Up Bidder**”) at the conclusion of the Auction and announced at the time to all Qualified Bidders participating therein. If there is more than one Successful Bid, the Sellers shall have the ability to designate a Back-Up Bidder for each Successful Bid.

If for any reason a Successful Bidder fails to consummate its Successful Bid within the time permitted after the entry of the Sale Orders, then the Sellers may deem the Back-Up Bidder for the applicable sale transaction to have the new Successful Bid, and the Sellers will be authorized, without further orders of the Courts, to consummate the transaction with such Back-Up Bidder on the terms of its last bid; provided, that the applicable Sellers will file a written notice of the applicable transaction(s) with the Courts at least 24 hours in advance of the consummation of such transaction(s). Such applicable Back-Up Bidder will be deemed to be the Successful Bidder and the applicable Sellers will be authorized, but not directed, to effectuate a sale to such applicable Back-Up Bidder subject to the terms of the applicable Back-Up Bid without further orders of the Courts.

The applicable Back-Up Bid must remain open until ~~three (3) months after the execution of the applicable Stalking Horse Agreement or Proposed Asset Purchase Agreement~~ the earlier of one (1) month after the designation of the Successful Bid (as defined below) at the Auction or the closing of the Sale(s) to the Successful Bidder(s) (the “**Outside Back-Up Date**”); provided, however, that in no event shall any Stalking Horse Bidder be required to keep their Stalking Horse Bid open except as specified in the applicable Stalking Horse Agreement. Notwithstanding any provision hereof, the Stalking Horse Purchasers obligation to act as a Back-Up Bidder shall be exclusively governed by the terms of the applicable Stalking Horse Agreement.

11. Good Faith Deposit

Except as otherwise provided in this paragraph with respect to any Successful Bid and any Back-Up Bid, if any, the Good Faith Deposits of all Qualified Bidders that submitted such a deposit under the Bid Procedures shall be returned upon or within three (3) business days

after the Auction. The Good Faith Deposit of a Successful Bidder shall be held until the closing of the sale of the applicable Purchased Assets and applied in accordance with the Successful Bid. The Good Faith Deposit of any Back-Up Bidder shall be returned within three (3) business days after the applicable Outside Back-Up Date. If a Successful Bidder fails to consummate an approved sale because of a breach or failure to perform on the part of such Successful Bidder, the applicable Seller(s) will not have any obligation to return the applicable Good Faith Deposit deposited by such Successful Bidder, which may be retained by the applicable Seller(s) as liquidated damages, in addition to any and all rights, remedies and/or causes of action that may be available to the applicable Seller(s) at law or in equity, and, the applicable Seller(s) shall be free to consummate the proposed transaction at the next highest price bid at the Auction by a Qualified Bidder, without the need for an additional hearings or orders of the Courts. Notwithstanding any provision hereof, the terms pertaining to any good faith deposit submitted by a Stalking Horse Purchaser pursuant to a Stalking Horse Agreement (including, without limitation, the entitlements of the Stalking Horse Purchaser and any Seller to such good faith deposit and the timing of return of any good faith deposit to a Stalking Horse Purchaser) shall be exclusively governed by the terms of the applicable Stalking Horse Agreement.

12. Sale Is As Is/Where Is

Except as otherwise provided in any Stalking Horse Agreement, any Successful Bid or any order by the Courts approving any sale of the Toprol Assets, the Vimovo Assets ~~and/or, the Canadian Assets, and/or any asset of Aralez Canada that would be transferred to the Canadian Assets~~ Purchaser pursuant to the Canadian Share Purchase Agreement, the Purchased Assets sold pursuant to these Bid Procedures shall be conveyed at the closing of the applicable purchase and sale in their then-present condition, "AS IS, WITH ALL FAULTS, AND WITHOUT ANY WARRANTY WHATSOEVER, EXPRESS OR IMPLIED."

C. THE BID PROTECTIONS

In recognition of the expenditure of time, energy, and resources, and because the agreement to make payment thereof is necessary to preserve the value of each of the Sellers' estates, the Sellers have agreed that, among other triggering events, if the: (i) ~~Toprol Purchaser is not a Successful Bidder with respect to the Toprol Assets, then the Toprol Seller will pay the Toprol Purchaser (a) an amount in cash equal to the Expense Reimbursement (as such term is defined in the Toprol APA (the "Toprol Expense Reimbursement")~~, which is not to exceed \$500,000, whether incurred prior to or after August 10, 2018; (ii) Vimovo Purchaser is not the Successful Bidder with respect to the Vimovo Assets, the Vimovo Seller will pay the Vimovo Purchaser (a) an aggregate fee of approximately \$~~1,662,500~~, 1,425,000, as more fully described in the Vimovo APA (as defined therein, the "Vimovo Termination Fee"), and (b) an amount in cash equal to the Expense Reimbursement (as such term is defined in the Vimovo APA (the "Vimovo Expense Reimbursement"), which is not to exceed \$425,000 whether incurred prior to or

after August 10, 2018; and (iii) Canadian Purchaser is not the Successful Bidder with respect to the Canadian Assets, the Canadian Seller will pay the Canadian Purchaser (a) an aggregate fee of approximately \$2,187,500 as more fully described in the Canadian Share Purchase Agreement (as defined therein, the “**Canadian Termination Fee**”, collectively with the Vimovo Termination Fee, the “**Termination Fees**”), and (b) an amount in cash equal to the Expense Reimbursement (as such term is defined in the Canadian Share Purchase Agreement (the “**Canadian Expense Reimbursement**,” and collectively with ~~the Toprol Expense Reimbursement and~~ the Vimovo Expense Reimbursement, the “**Expense Reimbursements**”), which is not to exceed \$575,000 or \$1,575,000, as the case may be, whether incurred prior to or after August 10, 2018. The Termination Fees and Expense Reimbursements shall be payable as provided for pursuant to the terms of the applicable Stalking Horse Agreements, and nothing herein shall be deemed to limit or otherwise modify the terms thereof, including other circumstances pursuant to which the applicable Termination Fee and applicable Expense Reimbursement may be payable.

The ~~Toprol Seller, the~~ Vimovo Seller and the Canadian Seller have further agreed that, solely with respect to the ~~Toprol Expense Reimbursement,~~ the Vimovo Termination Fee, the Vimovo Expense Reimbursement, the Canadian Expense Reimbursement and the Canadian Termination Fee, their obligation to pay ~~the Toprol Expense Reimbursement,~~ the Vimovo Termination Fee, the Vimovo Expense Reimbursement, the Canadian Expense Reimbursement and the Canadian Termination Fee pursuant to the applicable Stalking Horse Agreements shall survive termination of the applicable Stalking Horse Agreements, shall be payable under the terms and conditions of the applicable Stalking Horse Agreements and the orders approving the Bid Procedures, and (i) with respect to ~~the Toprol Seller and~~ the Vimovo Seller, shall constitute an allowed superpriority administrative expense claim under section 503(b) of the Bankruptcy Code senior to all other administrative expenses and, if triggered, shall be payable from the proceeds from the sale of ~~the Toprol Assets or~~ the Vimovo Assets, ~~as applicable,~~ at the closing of such sale, free and clear of all liens (including those arising under the DIP Financing Order) and (ii) with respect to the Canadian Seller, shall be secured by a priority charge under the CCAA.

Except for the Vimovo Stalking Horse Purchasers ~~Purchaser and Canadian Purchaser~~, no other party submitting a bid shall be entitled to any expense reimbursement, breakup fee, termination or similar fee or payment.

D. SALE HEARING

The Sellers will seek entry of separate orders from: the Bankruptcy Court, at a hearing (the “**U.S. Sale Hearing**”) to begin at 11:00 a.m. (prevailing Eastern Time) on ~~November 29, December 4,~~ 2018 or as soon thereafter as counsel may be heard; and the Canadian Court, at a hearing (the “**Canadian Sale Hearing**”) and together with the U.S. Sale Hearing, the “**Sale Hearings**”) to take place on the earliest date available after ~~November 29, December 4,~~ 2018, to approve and authorize the sale transaction(s) to the Successful Bidder(s) (including without limitation the assumption and assignment to the Successful

Bidders(s) of any executory contracts to be assigned to them in accordance with the Stalking Horse Agreement(s) or Proposed Asset Purchase Agreement(s), as applicable, at the Sale Hearing or such other hearing scheduled before the applicable Court) on terms and conditions determined in accordance with the Bid Procedures. A joint hearing before both the Courts may take place. The Stalking Horse Purchasers shall have standing to appear and be heard at any Sale Hearing with respect to all matters before the Court.

Notwithstanding anything herein, any Successful Bid on the Toprol Assets or the Vimovo Assets shall be subject to approval by the Bankruptcy Court and any Successful Bid on the Canadian Assets and/or any asset of Aralez Canada that would be transferred to the Canadian Purchaser pursuant to the Canadian Share Purchase Agreement shall be subject to approval by the Canadian Court.

E. CONSENT TO JURISDICTION

Each Court shall retain jurisdiction to hear and determine all matters arising from or relating to the implementation of the respective Court's Bid Procedures order and/or the bid documents as it pertains to assets and liabilities of the Toprol Seller and Vimovo Seller for the Bankruptcy Court, and as it pertains to assets and liabilities of the Canadian Seller for the Canadian Court, as the case may be. All Qualified Bidders at the Auction shall be deemed to have consented to the jurisdiction.

E. MISCELLANEOUS

~~The~~Except as expressly provided under these Bid Procedures, the Auction and the Bid Procedures are solely for the benefit of the Sellers and the Stalking Horse Purchasers, and nothing contained in the orders approving the Bid Procedures or the Stalking Horse Agreements or the Bid Procedures shall create any rights in any other person or bidder (including without limitation rights as third-party beneficiaries or otherwise) other than the rights expressly granted to a Successful Bidder under the orders approving the Bid Procedures.

The U.S. Debtors shall provide to the Committee weekly status reports, prompt responses to reasonable information requests (including regarding due diligence access made available to Potential Bidders), and reports of any consultation with Deerfield regarding the Bidding Process (either by copying counsel to the Committee on such communication or by promptly providing the Committee a copy or report of such communication).

Without prejudice to the rights of the Stalking Horse Purchasers under the terms of the Stalking Horse Agreements and the **Bidding** Bid Procedures Order, after consultation with the Consultation Parties, the Sellers may modify the rules, procedures and deadlines set forth herein, or adopt new rules, procedures and deadlines that, in their reasonable discretion (after consultation with the Consultation Parties, will better promote the goals of these procedures (namely, to maximize value for the estates); provided, however, that (a) the Sellers may not modify the Bid Protections afforded to each Stalking Horse Purchaser



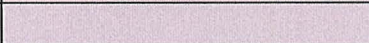
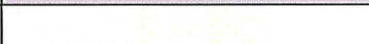

in accordance with the applicable Stalking Horse Agreement, unless agreed in writing by the applicable Stalking Horse Purchaser and Sellers or otherwise ordered by the Courts, and (b) the Committee shall be permitted to report to the Bankruptcy Court on an emergency basis if it determines the Debtors have modified, or adopted new, rules, procedures and deadlines that are inconsistent with the goals of these procedures and maximizing the value of the estates. For the avoidance of doubt, the Sellers may not modify the rules, procedures, or deadlines set forth herein, or adopt new rules, procedures, or deadlines that would impair the Stalking Horse Purchasers' right to payment of the Termination Fees or the Expense Reimbursements, as applicable, without the express written consent of the applicable Stalking Horse Bidder. All such modifications and additional rules will be communicated to each of the Notice Parties, the DIP Lenders, Potential Bidders, and Qualified Bidders (including the Stalking Horse Purchasers).

~~Each Court shall retain jurisdiction to hear and determine all matters arising from or relating to the implementation of the respective Court's Bid Procedures order as it pertains to assets and liabilities of the Toprol Seller and Vimovo Seller for the Bankruptcy Court, and as it pertains to assets and liabilities of the Canadian Seller for the Canadian Court, as the case may be.~~

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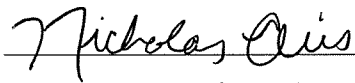
TAB C

EXHIBIT "C"

referred to in the Affidavit of

KATHRYN ESAW

Sworn October 10, 2018



Commissioner for Taking Affidavits

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Robin Spigel
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*Proposed Counsel for the Debtors and
Debtors in Possession*

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
In re: : Chapter 11
: :
Aralez Pharmaceuticals US Inc., et al.,¹ : Case No. 18-12425 (MG)
: :
Debtors. : (Jointly Administered)
-----X

**DEBTORS' REPLY IN SUPPORT OF DEBTORS' MOTION FOR
ORDERS: (I)(A) AUTHORIZING AND APPROVING BID PROCEDURES IN
CONNECTION WITH SALES OF CERTAIN OF THE DEBTORS' ASSETS,
(B) AUTHORIZING AND APPROVING BID PROTECTIONS, (C) SCHEDULING
RELATED AUCTION AND HEARING TO CONSIDER APPROVAL OF SALES,
(D) APPROVING PROCEDURES RELATED TO ASSUMPTION AND ASSIGNMENT
OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES, (E) APPROVING FORM
AND MANNER OF NOTICE THEREOF, (F) AUTHORIZING DEBTORS' ENTRY
INTO AND PERFORMANCE UNDER AMENDMENT OF PREPETITION ASSET
PURCHASE AGREEMENT AND ASSUMPTION OF AGREEMENT, AS AMENDED,
AND LICENSES GRANTED THEREUNDER, AND (G) GRANTING RELATED
RELIEF; AND (II)(A) AUTHORIZING AND APPROVING SALES OF CERTAIN OF
THE DEBTORS' ASSETS FREE AND CLEAR OF LIENS, CLAIMS, ENCUMBRANCES
AND OTHER INTERESTS, (B) AUTHORIZING AND APPROVING ASSUMPTION
AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED
LEASES RELATED THERETO, AND (C) GRANTING RELATED RELIEF**

¹ The Debtors in these chapter 11 cases and the last four digits of each Debtor's federal taxpayer identification number are as follows: Aralez Pharmaceuticals Holdings Limited (5824); Aralez Pharmaceuticals Management Inc. (7166); POZEN Inc. (7552); Aralez Pharmaceuticals Trading DAC (1627); Aralez Pharmaceuticals US Inc. (6948); Aralez Pharmaceuticals R&D Inc. (9731); Halton Laboratories LLC (9342). For purposes of these chapter 11 cases, the Debtors' mailing address is Aralez Pharmaceuticals, c/o Prime Clerk LLC, P.O. Box 329003, Brooklyn, NY 11232.

The debtors and debtors in possession in the above-captioned cases (collectively, the “**Debtors**”) hereby file this reply (the “**Reply**”) in support of the *Motion of Debtors for Orders: (I)(A) Authorizing and Approving Bid Procedures in Connection with the Sale of Certain of the Debtors’ Assets; (B) Authorizing and Approving Bid Protections, (C) Scheduling Related Auction and Hearing to Consider Approval of Sales, (D) Approving Procedures Related to Assumption and Assignment of Executory Contracts and Unexpired Leases, (E) Approving Form and Manner of Notice Thereof, (F) Authorizing Debtors’ Entry Into and Performance Under Amendment of Prepetition Asset Purchase Agreement, Assumption of Prepetition Asset Purchase Agreement, as Amended, and Licenses Granted Thereunder, and (G) Granting Related Relief; and (II)(A) Authorizing and Approving Sales of Certain of the Debtors’ Assets Free and Clear of Liens, Claims, Encumbrances and Other Interests, (B) Authorizing and Approving Assumption and Assignment of Certain Executory Contracts and Unexpired Leases Related Thereto, and (C) Granting Related Relief* (to the extent of relief being sought at the bidding procedures hearing, the “**Bid Procedures Motion**”) [Docket No. 113],² and in response to (a) the *Objection of the Official Committee of Unsecured Creditors to the Debtors’ Motion for Order Approving Bid Procedures* [Docket No. 140] (the “**Committee Objection**”), and (b) the limited objection and reservation of rights filed by Mylan Pharmaceuticals Inc., Mylan Laboratories Ltd. and Mylan Inc. (collectively, “**Mylan**”) [Docket No. 142] (the “**Mylan Objection/Reservation**”).

In further support of the Bid Procedures Motion and this Reply, the Debtors have filed the Declaration of Ashish Contractor (the “**Contractor Declaration**”), the Declaration of

² Unless otherwise indicated, capitalized terms used but not defined herein shall have the meanings given them in the Bid Procedures Motion.

Barak Klein (the "Klein Declaration"), and the Declaration of Michael Kaseta (the "Kaseta Declaration") concurrently herewith, and respectfully state as follows:

REPLY

1. The Debtors are pleased to report that they have resolved all but one of the concerns and objections raised by the Official Committee of Unsecured Creditors (the "Committee") to approval of the Bid Procedures. The material terms of such resolution are described below and shown in the revised blacklined form of Bid Procedures Order attached hereto as Exhibit A and the revised blacklined form of Bid Procedures attached thereto as Exhibit 1.³ However, the Committee has raised an additional issue (described below) not contained in the Committee Objection that the Debtors have been unable to resolve, which the Debtors will address at the hearing to consider the Bid Procedures Motion. Given the foregoing, the Debtors have not addressed herein the various characterizations and arguments set forth in the Committee Objection. Suffice it to say, the Debtors disagree with the various aspersions that have been cast, believe that sale approval-related objections are premature and best reserved for the Sale Hearing, and reserve their right to address such arguments and objections at the Sale Hearing.

2. In addition, while the Mylan Objection/Reservation effectively concedes that the issues Mylan raises are sale-related and not bidding procedures issues, the Debtors nevertheless have confirmed with the Vimovo Purchaser that the proposed sale to the Vimovo Purchaser does not give rise to the concerns raised by Mylan (as explained below).

3. Accordingly, the Debtors respectfully request that the Court grant the Bid

³ Prior to the filing of the Committee Objection, the Debtors and the Committee mutually agreed to a number of other changes to the Bid Procedures and the Bid Procedures Order that are reflected in the attached blacklines, but not described below.

Procedures Motion and enter the revised form of Bid Procedures Order.

RESOLUTION OF THE COMMITTEE OBJECTION

4. **Bid Protections.** In response to the Committee's objection with respect to the Bid Protections, the Toprol Purchaser has agreed to withdraw its requirement for the Toprol Expense Reimbursement, and the Vimovo Purchaser has agreed to reduce the Vimovo Termination Fee from 3.5% to 3% of the purchase price for the Vimovo Assets. The Parties have also agreed that the minimum overbid requirements set forth in Sections 4(l)-(m) of the Bid Procedures will be adjusted accordingly.

5. **Reporting Requirements.** In response to the Committee's request that the Debtors provide regular reporting, the Debtors have agreed to provide to the Committee weekly status reports, prompt responses to reasonable information requests (including regarding due diligence access), and reports of any consultation with Deerfield regarding the Bidding Process (either by copying counsel to the Committee on such communication or by promptly providing the Committee a copy or report of such communication).⁴

6. **Transition Services.** In the event that the Vimovo Purchaser is selected as the Successful Bidder for the Vimovo Assets, but the Toprol Purchaser is not selected as the Successful Bidder for the Toprol Assets, the Committee has requested that appropriate and satisfactory transition service arrangements be provided to the Successful Bidder for the Toprol Assets. The Vimovo Purchaser has agreed to provide customary transition services (for no less than 60 days) to a Successful Bidder for the Toprol Assets and its related business on commercially reasonable terms to be negotiated in good faith and agreed between the Vimovo Purchaser and the Successful Bidder (but no less favorable than such terms that it may agree to

⁴ Such rights have not been extended in respect of the Canadian Debtors, and relate to the issues discussed in paragraph 9 below.

with the Toprol Purchaser) in order to facilitate the transfer of Toprol Assets and related ongoing business to the Successful Bidder; provided that the Vimovo Purchaser will not be required to provide any transition services that are not services already provided by any of the employees of the Debtors that are hired by the Vimovo Purchaser.

7. **Deerfield's Involvement in Process.** In response to the Committee's objection to Deerfield's receipt of Qualified Bids, the Bid Procedures have been revised to reflect that: (a) Deerfield shall not receive copies of bids on or before the Bid Deadline; (b) the U.S. Sellers will consult with the Committee regarding whether consulting with a Consultation Party during the Bidding Process regarding any issue, selection or determination would be likely to have a chilling effect on potential bidding or otherwise be contrary to goal of maximizing value for the applicable Seller's estate from the sale process; and (c) the Committee will be permitted to report to the Bankruptcy Court on an emergency basis if it determines that the Debtors are consulting with a Consultation Party in a manner that is inconsistent with the goal of maximizing the value of the Debtors' estates.

8. **Discovery Timeline.** The Debtors, the Committee and Deerfield have agreed to confer regarding a discovery timeline that will enable timely preparation for the Sale Hearing. Such discussions are underway. In connection therewith, the Debtors, the Committee and the Stalking Horse Purchasers have agreed to extend the bidding and sale timeline proposed in the Bid Procedures Motion by approximately one week, with competing bids now being due November 26, 2018 (instead of November 19, 2018) and the Sale Hearing being held on December 4, 2018 instead of November 29, 2018.⁵

⁵ The Debtors understand from chambers that December 4, 2018 is available as a hearing date. The Canadian Debtors will be seeking the first available date with the Canadian Court after December 4, 2018.

9. **Sale Objections.** The parties also have agreed that no substantive objections to the Sales will be considered at this time, and that the Committee's rights to assert such objections on or before the Sale Objection Deadline are fully reserved.

REMAINING COMMITTEE ISSUE

10. Although not raised in the Committee Objection, the Committee has since requested that (a) it be included as a "**Canadian Notice Parties**" set forth in the Bid Procedures, such that it would receive copies of all Qualified Bids regarding some or all of each of the Canadian Assets and (b) that it be included as a "**Consultation Parties**" with respect to the Canadian Assets, such that it would be consulted by the Canadian Debtors regarding, among other things, Qualified Bids for the Canadian Assets and/or any asset of Aralez Canada that would be transferred to the Canadian Purchaser pursuant to the Canadian Share Purchase Agreement. In this regard, the revised Bidding Procedures now include the Committee as a Canadian Notice Party. However, the Debtors understand from counsel to the Canadian Debtors that it is not appropriate for the Committee to be included as a Consultation Party with respect to the Canadian Debtors and assets because the Committee does not have any interest in the Canadian estates and does not have standing to make any submissions in respect of same. Of course, the Committee is provided full consultation rights with respect to the Debtors and these cases.

11. A hearing to consider approval of the proposed bidding procedures is scheduled to take place before the Canadian Court at 4:00 p.m. on October 10, 2018 (after the hearing on the Bid Procedures Motion before this Court). The Debtors respectfully submit that whether the Committee should be a Consultation Party in connection with the Bidding Procedures in relation to the Canadian Debtors and assets should be considered and determined

by the Canadian Court since such issue involves the extent of the Committee's involvement in the CCAA proceedings. If the Court is inclined to defer to the Canadian Court on this issue, the Debtors will report to the Court following the hearing in the Canadian Court. The Debtors have no objection to this Court conferring with the Canadian Court on this issue.

THE MYLAN OBJECTION/RESERVATION

12. In its limited objection and reservation, Mylan indicates that while it has no objection to the sale to the Vimovo Purchaser (or other Successful Bidder for the Purchased Assets under the Vimovo Stalking Horse Agreement) being free and clear of monetary and similar encumbrances, it is concerned that the proposed sale not be free and clear of the pending litigations that it describes in its pleading and that, following the closing, the successful bidder should be substituted for the applicable Debtor that is a defendant in those actions. While this is a sale issue, the Debtors have confirmed with the Vimovo Purchaser that the proposed sale of the Vimovo Assets to the Vimovo Purchaser, while free and clear of monetary and other encumbrances, will not be free and clear of the pending proceedings with Mylan, Lupin Ltd., Lupin Pharmaceuticals Inc., Dr. Reddy's Laboratories Inc. and Dr. Reddy's Laboratories Ltd., and that the only effect the proposed sale will have on any of those proceedings is that after the closing of such sale, the Vimovo Purchaser (assuming it is the Successful Bidder) will be substituted in for Pozen and the parties' rights in the proceedings otherwise will be unaffected by the sale.

13. Accordingly, the Debtors request that the Court overrule the Mylan Objection/Reservation to the extent inconsistent with the foregoing (without prejudice to Mylan's rights to be heard at the Sale Hearing on such issue).

CONCLUSION

WHEREFORE, for the reasons set forth above, the Debtors respectfully request that the Court enter the revised Bid Procedures Order and grant such other and further relief as it deems appropriate.

Dated: October 9, 2018
New York, New York

WILLKIE FARR & GALLAGHER LLP
*Proposed Counsel for the Debtors and
Debtors in Possession*

By: /s/ Paul V. Shalhoub
Paul V. Shalhoub
Robin Spigel
Debra C. McElligott

787 Seventh Avenue
New York, New York 10019
Telephone: (212) 728-8000
Facsimile: (212) 728-8111

Exhibit A

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
In re: : Chapter 11
: :
Aralez Pharmaceuticals US Inc., et al.,¹ : Case No. 18-12425 (MG)
: :
Debtors. : (Jointly Administered)
-----X

**ORDER: (A) AUTHORIZING AND APPROVING
BID PROCEDURES IN CONNECTION WITH SALES OF CERTAIN OF THE
DEBTORS' ASSETS, (B) AUTHORIZING AND APPROVING BID PROTECTIONS,
(C) SCHEDULING RELATED AUCTION AND HEARING TO CONSIDER APPROVAL
OF SALES, (D) APPROVING PROCEDURES RELATED TO ASSUMPTION AND
ASSIGNMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES,
(E) APPROVING FORM AND MANNER OF NOTICE THEREOF, (F) AUTHORIZING
DEBTORS' ENTRY INTO AND PERFORMANCE UNDER AMENDMENT
OF PREPETITION ASSET PURCHASE AGREEMENT AND
ASSUMPTION OF AGREEMENT, AS AMENDED, AND LICENSES
GRANTED THEREUNDER, AND (G) GRANTING RELATED RELIEF**

Upon the motion (the "**Motion**")² of the debtors and debtors in possession in the above-captioned cases (collectively, the "**Debtors**") for the entry of an order (this "**Order**"), pursuant to sections 105(a), 363, 365, 503 and 507 of title 11 of the United States Code (the "**Bankruptcy Code**"), Rules 2002, 6004, 6006, 9007 and 9014 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"), and Rule 6004-1 of the Local Bankruptcy Rules for the Southern District of New York (the "**Local Rules**"): (i) (a) authorizing and approving certain bid

¹ The Debtors in these chapter 11 cases and the last four digits of each Debtor's federal taxpayer identification number and/or its equivalent are as follows: Aralez Pharmaceuticals Holdings Limited (5824); Aralez Pharmaceuticals Management Inc. (7166); POZEN Inc. (7552); Aralez Pharmaceuticals Trading DAC (1627); Aralez Pharmaceuticals US Inc. (6948); Aralez Pharmaceuticals R&D Inc. (9731); Halton Laboratories LLC (9342). For purposes of these chapter 11 cases, the Debtors' mailing address is Aralez Pharmaceuticals, c/o Prime Clerk LLC, P.O. Box 329003, Brooklyn, NY 11232.

² Capitalized terms used but not otherwise defined herein have the meanings given to them in the Bid Procedures (as defined below).

procedures (as attached hereto as Exhibit 1, the “**Bid Procedures**”) in connection with the sales (the “**Sales**” and each a “**Sale**”) of certain of the Debtors’ assets (the “**Purchased Assets**”) pursuant to (i) that certain Asset Purchase Agreement, dated September 18, 2018 (together with the schedules and related documents thereto, and as may be amended, supplemented or otherwise modified from time to time, the “**Toprol Stalking Horse Agreement**”), substantially in the form attached to the Motion as Exhibit B, by and between Debtor Aralez Pharmaceuticals Trading DAC (the “**Toprol Seller**”) and Toprol Acquisition LLC (the “**Toprol Purchaser**”) and (ii) that certain Asset Purchase Agreement, dated September 18, 2018 (together with the schedules and related documents thereto, and as may be amended, supplemented or otherwise modified from time to time, the “**Vimovo Stalking Horse Agreement**”, collectively with the Toprol Stalking Horse Agreement, the “**Stalking Horse Agreements**” and each a “**Stalking Horse Agreement**”), substantially in the form attached to the Motion as Exhibit C, by and between ~~Debtor~~**Debtors** Pozen Inc. ~~(and Aralez Pharmaceuticals Trading DAC (collectively,~~ the “**Vimovo Seller**”, collectively with the Toprol Seller, the “**Sellers**” and each a “**Seller**”) and Nuvo Pharmaceuticals Inc. (the “**Vimovo Purchaser**”, collectively with the Toprol Purchaser, the “**Stalking Horse Purchasers**” and each a “**Stalking Horse Purchaser**”), each subject to the outcome of an auction (the “**Auction**”) if any Seller receives one or more timely and acceptable Qualified Bids;³ (b) authorizing and approving the Toprol Expense Reimbursement, Vimovo Expense Reimbursement and Vimovo Termination Fee (collectively, as modified by the terms of this

³ The Court understands that the restructuring proceedings pending in the Ontario Superior Court of Justice (Commercial List) (the “Canadian Court”) commenced under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (“CCAA”), Court File No. CV-18-603054-00CL, may enter similar bid procedures with respect to the sale (the “Canadian Sale”) of the shares (the “Canadian Assets”) of Aralez Pharmaceuticals Canada Inc. by Aralez Pharmaceuticals Inc.

Order, the “Bid Protections”) for the applicable Stalking Horse Purchaser; (c) scheduling the related Auction and hearing (the **“Sale Hearing”**) to consider approval of the Sales; (d) approving procedures related to the assumption and assignment of certain of the Sellers’ executory contracts and unexpired leases; (e) approving the form and manner of notice thereof; (f) authorizing the Vimovo Seller’s entry into and performance under the Genus Amendment and assumption of the Genus APA, as amended, and the licenses granted thereunder; and (g) granting related relief (collectively, the **“Bid Procedures Relief”**); and (ii) (a) authorizing the Sales of such assets free and clear of liens, claims, encumbrances, and other interests, except as provided by the Stalking Horse Agreements or asset purchase agreement of the Successful Bidders; (b) approving the assumption and assignment of certain of the Sellers’ executory contracts (each, an **“Executory Contract”**) and unexpired leases (each, an **“Unexpired Lease”**) related thereto (any such Executory Contract or Unexpired Lease designated by the Successful Bidders to be assumed and assigned pursuant to the applicable Sale, a **“Purchased Contract”** and collectively, the **“Purchased Contracts”**); and (c) granting related relief; and upon the Declaration of Michael Kaseta in Support of First Day Applications and Motions; and **the Official Committee of Unsecured Creditors (the “Committee”) having filed the Objection of the Official Committee of Unsecured Creditors to the Debtors’ Motion for Order Approving Bid Procedures [Docket No. 140]; and the Debtors having filed a Reply to the Objection [Docket No. 162] (the “Reply”) in further support of the Motion; and the Debtors having filed the Declaration of Ashish Contractor [Docket No. 160], the Declaration of Barak Klein [Docket No. 159]; and the Declaration of Michael Kaseta [Docket No. 161] in further support of the Motion and the Reply; and** upon the record of the hearing held on the Motion (the **“Hearing”**); and this Court having jurisdiction to consider the Motion and the relief

requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and this being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue of these cases and the Motion in this district being proper pursuant to 28 U.S.C. §§ 1408 and 1409; and due and sufficient notice having been given; and it appearing that no other or further notice need be provided; and it appearing that the relief requested by the Motion (as modified on the record of the Hearing) is in the best interests of the Debtors, their estates, their creditors and other parties in interest; and after due deliberation and sufficient cause appearing therefor; it is hereby

FOUND AND DETERMINED that:

A. The Debtors have demonstrated good and sufficient reasons for, and the best interests of their estates, creditors, and other parties in interest will be served by, this Court granting, to the extent provided herein, the relief requested in the Motion relating to the bidding process, including approval of (1) the Bid Procedures, (2) the Bid Protections, (3) the procedures described below for the determination of the amounts necessary to cure defaults under the Purchased Contracts so as to permit the assumption and assignment under section 365 of the Bankruptcy Code of the Purchased Contracts that may be assumed and assigned to the Successful Bidders, and (4) the forms of the Sale Notice (as defined below) and Cure Notice (as defined below) attached to the Motion as Exhibit D and Exhibit E, respectively.

B. The Debtors have demonstrated good and sufficient reasons for, and the best interests of their estates will be served by, this Court scheduling a Sale Hearing to consider granting the other relief requested in the Motion, including approval of the Sales and the transfer of the Purchased Assets to the Successful Bidders free and clear of all liens, claims, encumbrances and other interests pursuant to sections 363(f) and 365 of the Bankruptcy Code.

C. The Bid Protections as set forth in Section 8.3 of the ~~Toprol Stalking Horse Agreement and Section 8.3 of the Vimovo Stalking Horse Agreement~~ (subject to footnote 5 below) to be paid under the circumstances described therein ~~to the respective Stalking Horse Purchasers~~ are: (1) an actual and necessary cost of preserving the Debtors' estates within the meaning of sections 503(b) and 507(a) of the Bankruptcy Code; (2) commensurate to the real and substantial benefits conferred upon the Debtors' estates by the ~~respective~~ Vimovo Stalking Horse Purchaser; (3) reasonable and appropriate in light of the size and nature of the ~~proposed Sales~~ applicable Sale and comparable transactions, the commitments and accommodations of the ~~respective~~ Vimovo Stalking Horse Purchaser that have been made for the benefit of the Debtors' estates, the condition of the respective Purchased Assets, and the efforts that have been and will be expended by the ~~respective~~ Vimovo Stalking Horse Purchaser; and (4) a condition to and necessary to induce the ~~respective~~ Vimovo Stalking Horse Purchaser to continue to pursue the ~~respective~~ applicable Sale and to continue to be bound by the ~~respective~~ Vimovo Stalking Horse Agreement.

D. Moreover, ~~the respective~~ such Bid Protections are an essential inducement and condition of the ~~respective~~ Vimovo Stalking Horse Purchaser's entry into, and continuing obligations under, ~~its respective~~ the Vimovo Stalking Horse Agreement. Unless it is assured that the Bid Protections, as modified by this Order, will be available, the ~~respective~~ Vimovo Stalking Horse Purchaser is unwilling to remain obligated to consummate the ~~respective~~ applicable Sale or otherwise be bound under the ~~respective~~ Vimovo Stalking Horse Agreement (including the obligations to maintain its committed offer while such offer is subject to higher or otherwise better offers as contemplated by the Bid Procedures). The applicable Bid Protections induced the ~~respective~~ Vimovo Stalking Horse Purchaser to submit a bid that will serve as a minimum or floor

bid for the applicable Purchased Assets on which the Debtors, their creditors and other bidders can rely, and which encourages and facilitates the Auction process. The ~~respective~~ Vimovo Stalking Horse Purchasers ~~have~~ Purchaser has thus provided a material benefit to the Debtors and their creditors by increasing the likelihood that the best possible purchase price for the Purchased Assets (as defined in the Vimovo Stalking Horse Agreement) will be realized. Accordingly, the Bid Protections are reasonable and appropriate and represent the best method for maximizing value for the benefit of the Debtors' estates.

E. The Bid Procedures are fair, reasonable, and appropriate and are designed to maximize the recovery from the Sales of the Purchased Assets.

F. The process for submitting Qualified Bids is fair, reasonable, and appropriate and is designed to maximize recoveries for the benefit of the Debtors' estates, creditors, and parties in interest.

G. The Sale Notice, the Cure Notice, and the Supplemental Cure Notice (each as defined below) are appropriate and reasonably calculated to provide all interested parties with timely and proper notice of this Order, the Bid Procedures, the Sales, the Sale Hearing, and any and all objection deadlines related thereto, including with respect to cure amounts and the assumption and assignment of Executory Contracts and Unexpired Leases, and no other or further notice is required of the foregoing.

H. The Vimovo Seller's entry into and performance under the Genus Amendment and assumption of the Genus APA, as amended, and the licenses granted thereunder is an appropriate exercise of business judgment.

I. The findings and conclusions set forth herein constitute the Court's findings of fact and conclusions of law. To the extent any of the following findings of fact constitute conclusions

of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

IT IS HEREBY ORDERED THAT:

1. The Bid Procedures Relief is GRANTED as set forth herein.
2. All objections to the relief requested in the Motion that have not been withdrawn, waived or settled are overruled on the merits.

I. Sales Timeline

3. The Debtors are authorized to proceed with the Sales in accordance with the Bid Procedures and are authorized to take any and all actions necessary or appropriate to implement the Bid Procedures (subject to the terms thereof) in accordance with the following timeline:

Sale Timeline⁴	
Deadline to Serve Sale Notice and Cure Notice (US Only)	October 15, 2018
Cure Objection Deadline (US Only)	No later than ten (10) days after service of the Cure Notice or the date set forth on the Supplemental Cure Notice, provided that such date is ten (10) days prior to the Closing
Assignment Objection Deadline (US Only)	Ten (10) days after service of the Cure Notice, or the date otherwise specified in the Cure Notice (or, alternatively, the date set forth in the motion to assume such Purchased Contract if such contract is to be assumed and assigned after the Sale Hearing)

⁴ Certain of the deadlines set forth below are not applicable in the CCAA proceedings. Accordingly, approval of such deadlines will not be sought in the CCAA proceedings. Such deadlines are labeled herein as "US Only."

Sale Timeline⁴	
Bid Deadline	November 19 <u>26</u> , 2018 at 5:00 p.m. prevailing ET
Sale Objection Deadline (US Only)	November 19 <u>26</u> , 2018
Deadline to Notify Qualified Bidders	November 21 <u>28</u> , 2018 at 5:00 p.m. prevailing ET
Auction (if required)	November 27 <u>29</u> , 2018 at 11:00 a <u>1:00</u> p.m. prevailing ET
Sale Reply Deadline (US Only)	November 27 <u>December 3</u> , 2018 <u>at 12:00 p.m. prevailing ET</u>
Notice of Successful Bidders	November 28 <u>December 3</u> , 2018 at 5:00 p.m. prevailing ET
Sale Hearing	November 29 <u>December 4</u> , 2018 at 11:00 a.m. prevailing ET (Bankruptcy Court) The earliest date available after November 29 <u>December 4</u> , 2018 (Canadian Court)

II. The Bidding Bid Procedures

4. The Bid Procedures attached hereto as Exhibit 1 are approved and shall govern all bids and bid proceedings relating to the sale of the Purchased Assets.

5. The Debtors shall comply with the Bid Procedures approved hereby and as set forth in the Stalking Horse Agreements and, until the termination thereof, such other covenants and obligations set forth therein.

6. The Auction may include the sale of the Canadian Assets, or any asset of Aralez Canada that would be transferred to the Canadian Purchaser pursuant to the Canadian Share Purchase Agreement, as authorized and approved by this Court and the Canadian Court.

Qualified Bidders at the Auction may bid on any or all of the Toprol Assets, Vimovo Assets or Canadian Assets, or any asset of Aralez Canada that would be transferred to the Canadian Purchaser pursuant to the Canadian Share Purchase Agreement, as authorized and approved by the Canadian Court. However, this Court will only enter a sale order regarding the Debtors, the Purchased Assets, and the Purchased Contracts over which this Court has jurisdiction.

7. If a Seller does not receive a Qualified Bid other than the Stalking Horse Bid, such Seller will not hold an ~~auction~~Auction and the applicable Stalking Horse Purchaser shall be named the Successful Bidder on the Bid Deadline. If one or more Seller receives one or more Qualified Bids in addition to the applicable Stalking Horse Bid, such Seller(s) shall conduct the Auction regarding the applicable Purchased Assets.

8. In the event of a competing Qualified Bid with respect to either the Toprol Assets or the Vimovo Assets, the respective Stalking Horse Purchaser shall be entitled, but not obligated, to submit Subsequent Bids and shall be entitled, but not obligated, in any and all such Subsequent Bids to credit bid the full amount of the Bid Protections in lieu of cash, and for purposes of evaluating the Subsequent Bid, the full amount of the Bid Protection shall be treated as equal to cash in the same amount.

III. Stalking Horse Purchasers, Bid Protections, and Stalking Horse Agreements

9. The Debtors are authorized to enter into the Stalking Horse Agreements, subject to higher and better offers at the Auction regarding the Toprol Assets and the Vimovo Assets in accordance with the Bid Procedures.

10. The Debtors are authorized to enter into and perform under the Genus Amendment pursuant to section 363 of the Bankruptcy Code. The Debtors are further authorized to and shall assume the Genus APA (as amended) and the licenses granted thereunder, in each

case pursuant to section 365 of the Bankruptcy Code, and are authorized to perform all obligations of the Debtors set forth thereunder. Any bidder submitting a bid for the Vimovo Assets, including any patent related to a Licensed Product (as such term is defined in the Genus Amendment), shall include a provision in its bid pursuant to which the bidder affirmatively assumes the Assumed Obligations (as such term is defined in the Genus Amendment).

11. The Debtors are authorized to perform all obligations of the Debtors set forth in the Stalking Horse Agreements that are intended to be performed prior to the Sale Hearing and prior to the entry of the applicable Sale Order, subject to the terms of the Bid Procedures.

12. The Bid Protections for ~~each~~the Vimovo Stalking Horse Purchaser are approved ~~in their entirety~~to the extent set forth herein,⁵ and ~~each~~ shall survive any termination of the ~~applicable~~Vimovo Stalking Horse Agreement and shall be binding and enforceable against each Debtor and its respective estates, any trustee, examiner or other representative of the Debtors' estates and any successors thereto. The Debtors are authorized to pay any and all amounts owing to the Vimovo Stalking Horse ~~Purchasers~~Purchaser on account of the Bid Protections on the terms set forth in the applicable Stalking Horse Agreement. The Bid Protections for ~~each~~the Vimovo Stalking Horse Purchaser shall be allowed superpriority administrative expense claims under section 503(b) and 507 of the Bankruptcy Code and, if triggered, shall be payable from the proceeds from the Sale of the ~~Toprol Assets or the Vimovo Assets, as applicable,~~ at the Closing of such Sale, in accordance with the terms of the ~~respective~~Vimovo Stalking Horse Agreement, free and clear of all liens, including the DIP Agent's liens under the DIP Loan Agreement, without

⁵ Notwithstanding the terms of the Stalking Horse Agreements, the Vimovo Termination Fee shall not exceed 3% of the Purchase Price (as defined in the Vimovo Stalking Horse Agreement), and the Toprol Expense Reimbursement is not approved.

further order of this Court. With respect to the allowance as administrative expense claims of the respective Bid Protections, this Order is intended to be, and is, a final order. Nothing in this Order shall be construed as authorizing and directing the payment of the respective Bid Protections to the respective Stalking Horse Purchaser in the event that the respective Stalking Horse Purchaser is the Successful Bidder regarding the respective Purchased Assets.

13. In the event that the Vimovo Purchaser is the Successful Bidder for the Vimovo Assets, the Vimovo Purchaser shall provide customary transition services (for no less than 60 days) to a Successful Bidder for the Toprol Assets and its related business on commercially reasonable terms to be negotiated in good faith and agreed between the Vimovo Purchaser and the Successful Bidder (but no less favorable than such terms that it may agree to with the Toprol Purchaser) in order to facilitate the transfer of Toprol Assets and related ongoing business to the Successful Bidder; provided that the Vimovo Purchaser shall not be required to provide any transition services that are not services already provided by any of the employees of the Debtors that are hired by the Vimovo Purchaser.

IV. Sale Hearing

14. ~~13.~~ The Sale Hearing shall be held on ~~November 29~~ **December 4**, 2018 at 11:00 a.m. (prevailing Eastern Time) before this Court, the U.S. Bankruptcy Court for the Southern District of New York, One Bowling Green, 5th Floor, Courtroom 523, New York, NY 10004. Any objections to either Sale (a "**Sale Objection**") must (a) be in writing, (b) state the basis of such objection with specificity, (c) conform to the Federal Rules of Bankruptcy Procedure and the Local Rules and (d) be filed with the Bankruptcy Court and served in accordance with the rules of the Bankruptcy Court upon the Notice Parties (as subsequently defined) so as to be received not later than 4:00 p.m. prevailing Eastern Time on November ~~19~~**26**, 2018. Any party failing to

timely file a Sale Objection shall be forever barred from objecting and shall be deemed to have consented to each Sale, including the transfer of the Debtors' right, title and interest in, to, and under the Purchased Assets free and clear of any and all liens, claims, interests, and encumbrances in accordance with the Stalking Horse Agreements or other definitive agreement for either Sale.

15. ~~14.~~ The Sale Hearing may be adjourned by the Debtors from time to time without further notice to creditors or parties in interest other than by announcement of the adjournment in open court on the date scheduled for the Sale Hearing.

V. Notice Procedures

16. ~~15.~~ The following forms of notice are approved: (a) Notice of Sale Procedures, Auction ~~Date~~, and Sale Hearing, in the form substantially similar to that attached to the Motion as Exhibit D (the "**Sale Notice**") and (b) the Notice to Counterparties to Executory Contracts and Unexpired Leases of the Debtors that May Be Assumed and Assigned (the "**Cure Notice**"), in the form substantially similar to that attached to the Motion as Exhibit E.

17. ~~16.~~ The Debtors shall, on or before October 15, 2018, serve a copy of the Sale Notice and this Order by first class mail, postage prepaid on: (a) the United States Trustee for Region 2; (b) the Debtors' five (5) largest secured creditors on a consolidated basis; (c) the Debtors' thirty (30) largest unsecured creditors on a consolidated basis; (d) counsel to the DIP Agent; (e) proposed counsel to the ~~Official Committee of Unsecured Creditors~~, Brown Rudnick LLP, 7 Times Square, New York, NY 10036 (Attn: Robert J. Stark, Esq. (rstark@brownrudnick.com) and Howard S. Steel, Esq. (hsteel@brownrudnick.com)); (f) the Securities and Exchange Commission; (g) the Internal Revenue Service; (h) Revenue Commissioners (Ireland); (i) the United States Food and Drug Administration; (j) the Canada Revenue Agency as represented by the Department of Justice (Canada); (k) Health Canada; (l) all

persons known by the Debtors to have expressed an interest to the Debtors in a transaction with respect to the Purchased Assets during the previous six months; (m) all entities known by the Debtors that may have a lien, claim, encumbrance, or other interest in the Purchased Assets (for which identifying information and addresses are available to the Debtors); (n) all non-Debtor parties to the Executory Contracts and Unexpired Leases; (o) all of the Debtors' known creditors; (p) any governmental unit known to the Debtors to have a claim in these cases; (q) the Office of the Attorney General in each state in which the Debtors operate; (r) the Office of the New York Secretary of State; and (s) all parties that have requested notice in these cases under Bankruptcy Rule 2002.

VI. Assumption and Assignment Procedures

18. ~~17.~~ The Debtors shall, on or before October 15, 2018, serve upon each non-Debtor counterparty to each Executory Contract and Unexpired Lease and their counsel (if known) that are anticipated to be assumed and assigned to the Stalking Horse Purchasers. The Cure Notice shall state the date, time and place of the Sale Hearing, whether such Executory Contract or Unexpired Lease is designated to be assumed and assigned to the Toprol Purchaser or Vimovo Purchaser, as well as the date by which any objection to the assumption and assignment of such Executory Contract and Unexpired Lease must be filed and served. The Cure Notice shall also identify the amounts, if any, that the Debtors believe are owed to each counterparty to an Executory Contract or Unexpired Lease to cure any defaults that exist under such contract or lease (the "**Cure Amounts**") pursuant to section 365 of the Bankruptcy Code. The Cure Notice does not constitute an admission that an Executory Contract or Unexpired Lease is in fact an executory contract or unexpired lease for the purposes of section 365 of the Bankruptcy Code, and the Debtors reserve any and all rights with respect to the Executory Contracts and Unexpired

Leases. The inclusion of an Executory Contract or Unexpired Lease on the Cure Notice shall not obligate a Successful Bidder to take assignment of such executory contract or unexpired lease.

Only those contracts that constitute (a) Purchased Contracts pursuant to a Stalking Horse Agreement or (b) if a Successful Bidder is not a Stalking Horse Purchaser, any Successful Bidder's Proposed Asset Purchase Agreement, shall be assumed, assigned and sold to such Successful Bidder.

19. ~~18.~~ If any counterparty to an Executory Contract or Unexpired Lease objects for any reason to any Cure Amount set forth in the Cure Notice or any Supplemental Cure Notice (as defined below), such counterparty must file with the Court a written objection (a "**Cure Amount Objection**") and serve such Cure Amount Objection so as to be received no later than ten (10) days after service of the Cure Notice or the date set forth on the Supplemental Cure Notice, provided that such date is no later than ten (10) days before the proposed effective date of the assignment (the "**Cure Objection Deadline**"), by: (i) counsel to the Debtors, Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, NY 10019 (Attn: Paul V. Shalhoub, Esq. (pshalhoub@willkie.com), Robin Spigel, Esq. (rspigel@willkie.com) and Debra C. McElligott, Esq. (dmcelligott@willkie.com)); (ii) counsel to the Toprol Purchaser, Katten Muchin Rosenman LLP, 525 West Monroe Street, Chicago, Illinois 60661 (Attn: Peter A. Siddiqui, Esq. (peter.siddiqui@kattenlaw.com) and Katten Muchin Rosenman LLP, 575 Madison Avenue, New York, NY 10022 (Attn: Steven J. Reisman, Esq. (sreisman@kattenlaw.com)); (iii) counsel to the Vimovo Purchaser, Allen & Overy LLP, 1221 Avenue of the Americas, New York, NY 10020 (Attn: Daniel Guyder, Esq. (daniel.guyder@allenoverly.com)); (iv) counsel to the Office of the U.S. Trustee for Region 2, 201 Varick Street, Room 1006, New York, NY 10014 (Attn: Andrea B. Schwartz, Esq.); and (v) proposed counsel to the ~~Official Committee of Unsecured~~

~~Creditors~~, Brown Rudnick LLP, 7 Times Square, New York, NY 10036 (Attn: Robert J. Stark, Esq. (rstark@brownrudnick.com) and Howard S. Steel, Esq. (hsteel@brownrudnick.com)), with a copy to the Court's chambers (collectively, the "**Notice Parties**").

20. ~~19.~~ If, at any time after the entry of this Order, the Debtors or any Successful Bidder identify additional Executory Contracts or Unexpired Leases to be assumed and assigned as Purchased Contracts (whether before or after the closing of the sale), as applicable, the Debtors shall serve a supplemental Cure Notice (the "**Supplemental Cure Notice**") by facsimile, electronic transmission, hand delivery or overnight mail on the applicable non-debtor counterparty and its counsel (if known) no later than ten (10) days before the Closing, or, if such Executory Contract or Unexpired Lease is identified less than ten (10) days prior to the Closing, by the date set forth on the Supplemental Cure Notice. Each Supplemental Cure Notice shall: (a) state the date, time and place of the Sale Hearing (or later hearing, if applicable); (b) state the date by which any objection to the assumption and assignment of such Purchased Contract must be filed and served; and (c) identify the Cure Amount, if any.

21. ~~20.~~ Unless the non-debtor counterparty properly files and serves an objection to the Supplemental Cure Notice (the "**Supplemental Cure Objection**") (a) ten (10) days after the date of issuance of the Supplemental Cure Notice, or (b) if such Supplemental Cure Notice was served less than ten (10) days prior to the Closing, by the date set forth thereon (the "**Supplemental Cure Objection Deadline**"), the Debtors shall be authorized to assume and assign the Executory Contract or Unexpired Lease, subject to the occurrence of the closing of the applicable Sale, without further notice or order of the Court.

22. ~~21.~~ Each Cure Amount Objection and Supplemental Cure Objection must set forth with specificity each and every asserted default in any Executory Contract or Unexpired Lease

and the monetary cure amount asserted by such counterparty to the extent it differs from the amount, if any, specified by the Debtors in the Cure Notice or Supplemental Cure Notice, as applicable.

23. ~~22.~~ In the event that the Debtors and the non-Debtor party cannot resolve the Cure Amount Objection or Supplemental Cure Objection, disputed Cure Amounts (“**Disputed Cure Amounts**”) shall not be paid until the resolution of any such disputes by the Court or mutual agreement of the Debtors and the objecting party. Cure Amount Objections and Supplemental Cure Objections may be resolved by the Court at the Sale Hearing, or at a separate hearing either before or after the Sale Hearing. If there is a Disputed Cure Amount, the Debtors may, in their sole discretion, hold an amount equal to the cure amount claimed by the non-debtor party to the executory contract or unexpired lease (the “**Claimed Cure Amount**”) (or such smaller amount as may be fixed or estimated by the Bankruptcy Court) in reserve pending further order of the Court or agreement between the debtors and the objecting party. So long as the Debtors hold the Claimed Cure Amount in reserve (or such smaller amount as may be fixed or estimated by the Bankruptcy Court), the Debtors may assume, assign and sell the Executory Contract or Unexpired Lease that is the subject of an objection without further delay. Any counterparty to an Executory Contract or Unexpired Lease that fails to timely file and serve a Cure Amount Objection shall be forever barred from asserting that a Cure Amount is owed in an amount in excess of that set forth in the Cure Notice. If no timely Cure Amount Objection or Supplemental Cure Objection, as applicable, is filed and served with respect to a Purchased Contract, the Cure Amount identified in the Cure Notice or Supplemental Cure Notice, as applicable, with respect to the Executory Contracts and Unexpired Leases shall be the only amounts necessary under section 365(b) of the Bankruptcy Code to cure all monetary defaults under such Purchased Contract if a

Stalking Horse Purchaser (or other Successful Bidder) ultimately decides to have the applicable Purchased Contract assumed and assigned to it. Any party failing to timely file a Cure Amount Objection or Supplemental Cure Objection, as applicable, shall be forever barred from objecting to the Cure Amounts and from asserting any additional cure or other amounts against the Debtors, their estates or the applicable Successful Bidder. To the extent the Cure Amount Objection or Supplemental Cure Objection, as applicable, is resolved or determined unfavorably to the applicable Debtor, such Debtor may (with the consent of the applicable Successful Bidder), reject the applicable executory contract or unexpired lease after such determination.

24. ~~23.~~ If any counterparty to an Executory Contract or Unexpired Lease objects for any reason to the assumption and assignment of such Executory Contract or Unexpired Lease with respect to a Stalking Horse Purchaser (other than a Cure Amount Objection or Supplemental Cure Objection, as applicable, an “**Assignment Objection**”), such counterparty must file and serve such Assignment Objection so as to be received by the Notice Parties by no later than (the “**Assignment Objection Deadline**”): (a) ten (10) days after service of the Cure Notice; or (b) the date otherwise specified in the Cure Notice (or, alternatively, the date set forth in the motion to assume such Purchased Contract if such contract is to be assumed and assigned after the Sale Hearing); provided that, if the Successful Bidder is not the Stalking Horse Purchaser, the Assignment Objection Deadline shall be one (1) day prior to the Sale Hearing. The Court shall make any and all determinations concerning adequate assurance of future performance under the Purchased Contracts pursuant to sections 365(b) and (f)(2) of the Bankruptcy Code at the Sale Hearing (or such later hearing as may be requested by the Debtors).

25. ~~24.~~ If no objection is timely filed and served, the counterparty to an Executory Contract or Unexpired Lease shall be deemed to have consented to the assumption, assignment

and sale of the Executory Contract or Unexpired Lease to any Successful Bidder if such Executory Contract or Unexpired Lease is elected by any Successful Bidder as a Purchased Contract and shall be forever barred from asserting any objection with regard to such assumption, assignment and sale, except with respect to the adequate assurance of future performance by any Successful Bidder. Any objections to any Successful Bidder's proposed form of adequate assurance of future performance must be raised before or at the Sale Hearing and shall be resolved at the Sale Hearing if the Debtors and non-Debtor contract party are unable to resolve such objections prior thereto. The Cure Amounts set forth in the Cure Notice shall be controlling, notwithstanding anything to the contrary in any Executory Contract or Unexpired Lease, or any other document, and the counterparty to the Executory Contract or Unexpired Lease shall be deemed to have consented to the Cure Amounts and shall be forever barred from asserting any other claims related to such Executory Contract or Unexpired Lease against the Debtors or the Successful Bidder, or the property of any of them.

26. ~~25.~~ In the event that the Stalking Horse Purchaser is not the Successful Bidder for the Purchased Assets and for those Executory Contracts and Unexpired Leases identified in the Cure Notice, the Debtors shall serve a notice identifying the Successful Bidder to the non-Debtor parties to the Executory Contracts and Unexpired Leases that have been identified in such Successful Bid. The non-Debtor parties to the Executory Contracts and Unexpired Leases shall have until 4:00 p.m. on the date that is two (2) business days prior to the Sale Hearing to object to the assumption, assignment and/or transfer of their Executory Contracts and Unexpired Leases.

27. ~~26.~~ The Debtors, the Stalking Horse Purchaser or the other Successful Bidder, as the case may be, may determine to exclude any Executory Contract or Unexpired Lease from the list of Purchased Assets no later than three (3) business days prior to the Sale Hearing. The non-

Debtor party or parties to any such excluded contract or lease shall be notified of such exclusion by written notice mailed within two (2) business days of such determination; provided that if the determination to exclude a contract is three (3) business days prior to the Sale Hearing, written notice of such exclusion shall be emailed on that day, if an email address is known, or mailed by overnight courier service.

28. ~~27.~~ Except to the extent otherwise provided in a Successful Bidder's Proposed Asset Purchase Agreement, the Debtors and the Debtors' estates shall be relieved of all liability accruing or arising after the assumption and assignment of the Purchased Contracts pursuant to section 365(k) of the Bankruptcy Code.

29. ~~28.~~ No Purchased Contract shall be deemed assumed or assumed and assigned until the later of (a) the date the Court has entered an order authorizing the assumption and assignment of a particular Purchased Contract, (b) the date the applicable Sale is closed or (c) the date the Cure Amount is paid. The applicable Successful Bidder shall have no rights in and to or liabilities under any particular Purchased Contract until such time as the particular Purchased Contract is assumed and assigned to the applicable Successful Bidder.

VII. Miscellaneous

30. ~~29.~~ Subject to the terms of the Stalking Horse Agreements and the Bid Procedures, the Debtors are authorized to take such actions as may be necessary or appropriate to implement and effect the terms and requirements of this Order, including, but not limited to, expending such funds or taking such action as may be necessary or appropriate to comply with the Bid Procedures.

31. ~~30.~~ The Stalking Horse Purchasers shall have standing to appear and be heard on all issues related to the Auction, including the conduct of the Auction and the interpretation of the ~~Bidding~~**Bid** Procedures.

32. ~~31.~~ To the extent the provisions of this Order are expressly inconsistent with the provisions of any Exhibit referenced herein, including the Bid Procedures, or with the Motion, the provisions of this Order shall control.

33. ~~32.~~ The Court shall retain jurisdiction over all matters arising from or related to the interpretation and implementation of this Order.

34. ~~33.~~ Notwithstanding the possible applicability of Bankruptcy Rules 6004, 6006, 7062, 9014 or otherwise, the terms and conditions of this Order shall be immediately effective and enforceable.

Dated: _____, 2018
New York, New York

THE HONORABLE MARTIN GLENN
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT 1

Bid Procedures



BID PROCEDURES

Set forth below are the bid procedures (the “**Bid Procedures**”) to be used by Aralez Pharmaceuticals Trading DAC (the “**Toprol Seller**”), POZEN Inc. ~~(and Aralez Pharmaceuticals Trading DAC (collectively, the “**Vimovo Seller**” and together with the Toprol Seller, the “**U.S. Sellers**”)~~, and Aralez Pharmaceuticals Inc. (the “**Canadian Seller**”) and together with the Toprol Seller and Vimovo Seller, the “**Sellers**” and each a “**Seller**”) for the proposed sales of certain assets (collectively, the “**Purchased Assets**”) and assumption of certain liabilities, in the Toprol Seller’s and Vimovo Seller’s jointly administered chapter 11 cases pending in the United States Bankruptcy Court for the Southern District of New York (the “**Bankruptcy Court**”), lead case number 18-12425 (MG), and the Canadian Seller’s restructuring proceedings pending in the Ontario Superior Court of Justice (Commercial List) (the “**Canadian Court**”, and collectively with the Bankruptcy Court, the “**Courts**”) commenced under the Companies’ Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended (“**CCAA**”), Court File No. CV-18-603054-00CL, pursuant to those certain:

- (I) Asset Purchase Agreement, dated September 18, 2018 (together with the schedules and related documents thereto, and as may be amended, supplemented or otherwise modified from time to time, the “**Toprol APA**”), regarding those assets defined in Section 2.1 of the Toprol APA (the “**Toprol Assets**”) by and among the Toprol Seller and Toprol Acquisition LLC (the “**Toprol Purchaser**”);
- (II) Asset Purchase Agreement, dated September 18, 2018 (together with the schedules and related documents thereto, and as may be amended, supplemented or otherwise modified from time to time, the “**Vimovo APA**”) regarding those assets defined in Section 2.1 of the Vimovo APA (the “**Vimovo Assets**”) by and among the Vimovo Seller and Nuvo Pharmaceuticals (Ireland) Limited (the “**Vimovo Purchaser**”); and
- (III) Share Purchase Agreement, dated September 18, 2018 (together with the schedules and related documents thereto, and as may be amended, supplemented or otherwise modified from time to time, the “**Canadian Share Purchase Agreement**”) regarding the shares (the “**Canadian Assets**”) of Aralez Pharmaceuticals Canada Inc. (“**AP Canada**”) by and among the Canadian Seller and Nuvo Pharmaceuticals Inc. (the “**Canadian Purchaser**”),

The Toprol APA, the Vimovo APA and the Canadian Share Purchase Agreement are collectively referred to herein as the “**Stalking Horse Agreements**” and each as a “**Stalking Horse Agreement**”, and the Toprol Purchaser, the Vimovo Purchaser and the

Canadian Purchaser are collectively referred to herein as the “**Stalking Horse Purchasers**” and each as a “**Stalking Horse Purchaser**”).

The Toprol Purchaser has submitted a Qualified Bid (as defined below) for the Toprol Assets consisting of a credit bid in an aggregate amount equal to \$130,000,000 (the “**Toprol Stalking Horse Bid**”) with such credit bid allocated as follows: (i) first, a credit in the amount of the obligations outstanding under that certain Senior Secured Super-Priority Debtor-In-Possession Credit Agreement, dated as of August 10, 2018 (as may be amended, supplemented or otherwise modified from time to time, the “**DIP Loan Agreement**”), by and among the Debtors, Deerfield Management Company, L.P., as administrative agent (in such capacity, the “**DIP Agent**”), Deerfield Private Design Fund III, L.P., as lender, and Deerfield Partners, L.P., as lender (in such capacity, the “**DIP Lenders**”), as of the Closing Date (the “**DIP Credit**”) and (ii) second, for any amount remaining after crediting the DIP Credit, a dollar-for-dollar credit on account of the Pre-Petition First Lien Obligations in the amount of the remainder.

The Vimovo Purchaser has submitted a Qualified Bid (as defined below) for the Vimovo Assets consisting of an all cash purchase price of \$47,500,000 (the “**Vimovo Stalking Horse Bid**”).

The Canadian Purchaser has submitted a Qualified Bid (as defined below) for the Canadian Assets consisting of an all cash purchase price of \$62,500,000 (the “**Canadian Stalking Horse Bid**”, collectively with the Toprol Stalking Horse Bid and the Vimovo Stalking Horse Bid, the “**Stalking Horse Bids**” and each a “**Stalking Horse Bid**”).

On [____], 2018, the Courts entered orders, which, among other things, authorized each of the Sellers to determine the highest or otherwise best offers for the Purchased Assets through the Bid Procedures (the “**Bidding Procedures Orders**”).

The sale transactions pursuant to the Stalking Horse Agreements are subject to competitive bidding as set forth herein.

A. ASSETS TO BE SOLD

The Sellers seek to complete sales of the Purchased Assets and the assumption of the Assumed Liabilities described in Sections 2.1 and 2.2 of the Toprol APA and Sections 2.1 and 2.2 of the Vimovo APA and the sale of the Purchased Shares described in Section 2.1 of the Canadian Share Purchase Agreement.

Except as otherwise provided in the Stalking Horse Agreements or such other approved purchase agreement of the Successful Bidder(s) (as defined below), all of each Seller’s respective right, title and interest in and to the Toprol Assets, the Vimovo Assets and the Canadian Assets to be acquired shall be sold free and clear of all liens, claims, interests, charges, restrictions and encumbrances of any kind or nature thereon (collectively, the “**Liens**”), except for permitted encumbrances and assumed liabilities as may be specified in

the applicable Stalking Horse Agreement, and with any such Liens to attach solely to the net proceeds of the sale of each applicable Purchased Asset.

A party may participate in the ~~bidding process~~ **Bidding Process** by submitting a Qualified Bid (as defined below) for any or all of (a) the Toprol Assets, (b) the Vimovo Assets, ~~and~~ (c) the Canadian Assets, ~~and/or~~ **(d)** any asset of Aralez Canada that would be transferred to the Canadian Purchaser pursuant to the Canadian Share Purchase Agreement.

B. THE BID PROCEDURES

To ensure that each Seller receives the maximum value for the applicable Purchased Asset, the Stalking Horse Agreements are subject to higher or otherwise better offers at the Auction in accordance with these Bid Procedures, and, as such, the Toprol APA will serve as the “stalking horse” bid for the Toprol Assets, the Vimovo APA will serve as the “stalking horse” bid for the Vimovo Assets and the Canadian Share Purchase Agreement will serve as the “stalking horse” bid for the Canadian Assets.

1. Key Dates

The key dates for the process contemplated herein are as follows:¹

Sale Timeline	
Bid Deadline	November 19 26 , 2018 at 5:00 p.m. prevailing ET
Deadline to Notify Qualified Bidders	November 21 28 , 2018 at 5:00 p.m. prevailing ET
Auction (if required)	November 27 29 , 2018 at 11:00 1:00 p.m. prevailing ET
Notice of Successful Bidders	November 28 December 3 , 2018 at 5:00 p.m. prevailing ET
Sale Hearing	November 29 December 4 , 2018 at 11:00 a.m. prevailing ET (Bankruptcy Court) The earliest date available after November 29 December 4 , 2018 (Canadian Court)

¹ These dates are subject to extension or adjournment as provided for herein and in consultation with the Consultation Parties (as defined below).

2. Confidentiality

In order to participate in the ~~bidding process~~ **Bidding Process**, each person other than a Stalking Horse Purchaser who wishes to participate in the ~~bidding process~~ **Bidding Process** (a "**Potential Bidder**") must provide an executed confidentiality agreement (to be delivered prior to the distribution of any confidential information by any Seller to any Potential Bidder) in form and substance satisfactory to the applicable Seller, on terms ~~not less favorable to the applicable Seller than~~ **substantially similar to those contained in** the confidentiality agreement signed by the applicable Stalking Horse Purchaser, ~~and without limiting the foregoing, each confidentiality agreement executed by such a Potential Bidder shall contain standard non-solicitation provisions.~~

3. Due Diligence

The Sellers will afford any Potential Bidder that signs an executed confidentiality agreement in accordance with paragraph 2 above such due diligence access or additional information as the Sellers, in consultation with their advisors, deem appropriate, in their discretion and within their reasonable business judgment. The Sellers will use good faith efforts to provide to the Stalking Horse Purchasers access to written information made available to any Qualified Bidder, as applicable to the respective assets, business and/or shares being purchased, if not previously made available to the Stalking Horse Purchaser(s).

The due diligence period shall end on the Bid Deadline, and none of the Sellers nor any of their representatives shall be obligated to furnish any due diligence information to any Qualified Bidder (as defined below) (other than a Successful Bidder (as defined below)) after the Bid Deadline. For the avoidance of doubt, none of the Sellers nor any of their representatives shall be obligated to furnish any due diligence information to any person **other than a Qualified Bidder as provided above.**

4. Provisions Governing Qualified Bids

A bid submitted will be considered a "**Qualified Bid**" only if the bid complies with all of the following, in which case the party submitting the bid shall be a "**Qualified Bidder**":

- a. it discloses whether the bid is for some or all of each of the Toprol Assets, the Vimovo Assets ~~and/or,~~ the Canadian Assets, **and/or** any asset of Aralez Canada that would be transferred to the Canadian Purchaser pursuant to the Canadian Share Purchase Agreement;
- b. it fully discloses the identity of each entity that will be bidding for or purchasing some or all of each of the Toprol Assets, the Vimovo Assets ~~and/or,~~ the Canadian Assets, **and/or any asset of Aralez**

Canada that would be transferred to the Canadian Purchaser pursuant to the Canadian Share Purchase Agreement, including any equity holders in the case of a Potential Bidder which is an entity specially formed for the purpose of effectuating the contemplated transaction, or otherwise participating in connection with such bid (including any co-bidder or team bidder), and the complete terms of any such participation, including any agreements, arrangements or understandings concerning a collaborative or joint bid or any other combination concerning the proposed bid. A bid must also fully disclose any connections or agreements with the Sellers, the Stalking Horse Purchasers or any other known bidders, Potential Bidder or Qualified Bidder, and/or any officer, director or equity security holder of the Sellers;

- c. it states that the applicable Qualified Bidder offers to purchase, **and has a bona fide interest in purchasing**, in cash, some or all of each of the Toprol Assets, the Vimovo Assets ~~and/or~~, the Canadian Assets, **and/or any asset of Aralez Canada that would be transferred to the Canadian Purchaser pursuant to the Canadian Share Purchase Agreement**, upon terms and conditions that the applicable Seller(s) reasonably determines, **after consultation with the Consultation Parties (defined below)**, is at least as favorable to the applicable Seller(s) as those set forth in the applicable Stalking Horse Agreement(s) (or pursuant to an alternative structure that the Seller(s) reasonably determines, **after consultation with the Consultation Parties (defined below)**, is no less favorable to the Seller(s) than the terms and conditions of the **applicable** Stalking Horse Agreement(s)). For the avoidance of doubt, any Qualified Bid must, either on its own or when considered together with other Qualified Bid(s), provide value in excess of the applicable Stalking Horse Agreement ~~Agreement(s)~~ plus the applicable Termination Fee, Expense Reimbursement (each as defined below) and minimum overbid requirements detailed below in Sections 4(k)-(m);
- d. it provides a description of any anticipated regulatory or governmental approvals necessary to consummate the bid;
- e. it includes a commitment to close the transactions within the timeframe contemplated by the applicable Stalking Horse Agreement;
- f. it includes a signed writing that the Qualified Bidder's offer is irrevocable unless and until the applicable Seller(s) accept a higher or otherwise better bid and such Qualified Bidder is not selected as a Back-Up Bidder (as defined below); provided that if such Qualified

Bidder is selected as the Successful Bidder (as defined below), its offer shall remain irrevocable until ~~three (3) months after the execution of the applicable Stalking Horse Agreement or Proposed Asset Purchase Agreement (as defined herein)~~ **the earlier of one (1) month after the designation of the Successful Bid (as defined below) at the Auction or the closing of the Sale(s) to the Successful Bidder(s).** Such writing shall guarantee performance of the Qualified Bidder by its parent entities, if any, or provide such other guarantee of performance acceptable to the Seller(s);

- g. it shall be accompanied by a deposit into escrow with the applicable Seller(s) of an amount in cash equal to 4% of the purchase price (the **“Good Faith Deposit”**);
- h. it includes confirmation that all necessary internal and shareholder approvals have been obtained prior to the bid;
- i. it includes a duly authorized and executed copy of an asset purchase agreement, including the purchase price for the **specific** Toprol Assets, the Vimovo Assets ~~and/or~~, the Canadian Assets, **and/or any asset of Aralez Canada that would be transferred to the Canadian Purchaser pursuant to the Canadian Share Purchase Agreement, or a combination thereof,** expressed in U.S. Dollars, together with all exhibits and schedules thereto, together with copies marked to show any amendments and modifications to the applicable Stalking Horse Agreement(s) (collectively, the **“Proposed Asset Purchase Agreement”**) and proposed forms of orders to approve the sale by each of the applicable Courts, together with a copy marked to show amendments and modifications to the proposed form(s) of sale approval order(s) attached to the motions approving the sale of the respective Purchased Assets to the applicable Stalking Horse Purchaser; provided, however, that such Proposed Asset Purchase Agreement shall not include any financing or diligence conditions, or any other conditions that are less favorable to the Seller(s) than the conditions in the applicable Stalking Horse Agreement;
- j. if such bid is for the Vimovo Assets, including any patent related to a Licensed Product (as such term is defined in the Genus Amendment), the Proposed Asset Purchase Agreement includes a provision pursuant to which the bidder affirmatively assumes the Assumed Obligations (as such term is defined in the Genus Amendment);
- k. it includes written evidence of (i) sufficient cash on hand to fund the purchase price or (ii) sources of immediately available funds that are

not conditioned on third-party approvals or commitments, in each case, that will allow the Seller(s) to make a reasonable determination as to the Qualified Bidder's financial and other capabilities to consummate the transaction contemplated by the Proposed Asset Purchase Agreement. Such written evidence shall include the most current audited and the most current unaudited financial statements, or such other financial information of the Qualified Bidder as may be acceptable to the Seller(s), in consultation with the Consultation Parties (as defined below) (collectively, the "**Financials**"), or, if the Qualified Bidder is an entity formed for the purpose of acquiring some or all of each of the Toprol Assets, the Vimovo Assets ~~and/or~~, the Canadian Assets, and/or any asset of Aralez Canada that would be transferred to the Canadian Purchaser pursuant to the Canadian Share Purchase Agreement, the Financials of the Qualified Bidder's equity holder(s) or other financial backer(s) that are guaranteeing the Qualified Bidder's performance; provided that if a Potential Bidder is unable to provide Financials, the Seller(s) may accept such other information sufficient to demonstrate to each Seller's reasonable satisfaction, after consultation with the Consultation Parties (as defined below), that such Potential Bidder has the financial wherewithal to consummate the applicable sale transaction. The Potential Bidder also must establish that it has the financial ability to consummate its proposed transaction within the timeframe contemplated for consummation of the applicable Stalking Horse Agreement.

- l. with respect to the Toprol Assets, it (in combination with any other bids for some or all of such assets) provides for a cash purchase price that exceeds the aggregate cash consideration to be paid to or for the benefit of the Toprol Seller's estate set forth in the Toprol APA by at least ~~\$1,000,000, which represents the sum of: (i) the Toprol Expense Reimbursement (as defined below) (not to exceed \$500,000), plus (ii) \$500,000~~, and otherwise has a value to the Toprol Seller, in its exercise of its reasonable business judgment, after consultation with its advisors and the Consultation Parties (as defined below), that is greater or otherwise better than the value offered under the Toprol APA (including impact of any liabilities assumed in the Toprol APA);
- m. with respect to the Vimovo Assets, it (in combination with any other bids for some or all of such assets) provides for a cash purchase price that exceeds the aggregate cash consideration to be paid to or for the benefit of the Vimovo Seller's estates set forth in the Vimovo APA by at least ~~\$2,587,500~~ 2,350,000, which represents the sum of: (i) the

Vimovo Termination Fee (as defined below) of ~~\$1,662,500~~ **\$1,425,000**, plus (ii) the Vimovo Expense Reimbursement (as defined below) (not to exceed \$425,000), plus (iii) \$500,000 and otherwise has a value to the Vimovo Seller, in its exercise of its reasonable business judgment, after consultation with its advisors **and the Consultation Parties (as defined below)**, that is greater or otherwise better than the value offered under the Vimovo APA (including impact of any liabilities assumed in the Vimovo APA);

- n. with respect to the Canadian Assets, it (in combination with any other bids for some or all of such assets) provides for a cash purchase price that exceeds the aggregate cash consideration to be paid to or for the benefit of the Canadian Seller's estates set forth in the Canadian Share Purchase Agreement by at least \$3,262,500, which represents the sum of: (i) the amount of the Canadian Termination Fee (as defined below) of \$2,187,500, plus (ii) the Canadian Expense Reimbursement (as defined below) (not to exceed \$575,000), plus (iii) \$500,000 and otherwise has a value to the Canadian Seller, in its exercise of its reasonable business judgment, after consultation with its advisors **and the Consultation Parties (as defined below)**, that is greater or otherwise better than the value offered under the Canadian Share Purchase Agreement (including impact of any liabilities assumed in the Canadian Share Purchase Agreement);
- o. it identifies with particularity which Executory Contracts and Unexpired Leases the Qualified Bidder wishes to assume and provides details of the Qualified Bidder's proposal for the treatment of related Cure Amounts, and contains sufficient information concerning the Qualified Bidder's ability to provide adequate assurance of performance with respect to Executory Contracts and Unexpired Leases to be assumed and assigned, **including the legal name of any proposed assignee of a proposed assumed Executory Contract and the proposed use of any leased premises, in a form that will permit immediate dissemination to the Consultation Parties (as defined below) and the counterparties to such contracts and leases;**
- p. it includes an acknowledgement and representation that the Qualified Bidder: (i) has had an opportunity to conduct any and all required due diligence regarding acquiring the applicable Toprol Assets, the Vimovo Assets ~~and/or~~, the Canadian Assets, **and/or any asset of Aralez Canada that would be transferred to the Canadian Purchaser pursuant to the Canadian Share Purchase Agreement**, prior to making its offer; (ii) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Toprol

Assets, the Vimovo Assets ~~and/or~~, the Canadian Assets, and/or any asset of Aralez Canada that would be transferred to the Canadian Purchaser pursuant to the Canadian Share Purchase Agreement, in making its bid; (iii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the Toprol Assets, the Vimovo Assets ~~and/or~~, the Canadian Assets ~~or~~, and/or any asset of Aralez Canada that would be transferred to the Canadian Purchaser pursuant to the Canadian Share Purchase Agreement, or the completeness of any information provided in connection therewith or with the Auction (defined below), except as expressly stated in the Proposed Asset Purchase Agreement; and (iv) is not entitled to any expense reimbursement, break-up fee, termination fee, or similar type of payment in connection with its bid;

- q. it includes evidence, in form and substance satisfactory to the applicable Seller(s), of authorization and approval from the Qualified Bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the Proposed Asset Purchase Agreement;
- r. it provides such other guarantee of performance or assurance acceptable to the applicable Seller(s) in their discretion;
- s. it states that the Qualified Bidder consents to the jurisdiction of the Courts, as applicable;
- t. it contains such other information reasonably requested by the applicable Seller(s); ~~and~~
- u. it does not contain any condition to closing of the proposed sale on the receipt of any third party approvals not already required in any applicable Stalking Horse Agreement (excluding court approval and any applicable required governmental and/or regulatory approval) or which the Sellers, after consultation with the Consultation Parties, determine, in their reasonable business judgment, would be a material impediment to a timely closing of such transaction;
- v. it expressly states that the prospective bidder agrees to serve as a Back-Up Bidder if such bidder's Qualified Bid is selected as the next highest and best bid after the Successful Bid pursuant to Section B(4)(f) of these Bid Procedures; and

w. ~~it~~ it is received by the applicable Notice Parties (as defined in, and in accordance with, Section B.5) on or prior to the 5:00 p.m. (prevailing Eastern Time) on November ~~19~~²⁶, 2018 (the “**Bid Deadline**”), and such Bid Deadline may be extended by the Sellers after consultation with the Consultation Parties (as defined below), with the consent of the Stalking Horse Purchasers or by order of the Courts.

Non-Conforming Bids; Non-Solicitation. Notwithstanding anything to the contrary in these Bid Procedures, the Sellers, in consultation with the Consultation Parties (as defined below), shall have the right to entertain any bid that does not conform to one or more of the requirements herein and deem such bid a Qualified Bid (a “**Non-Conforming Bid**”); provided, however, that such Non-Conforming Bid so entertained by the Sellers must nevertheless meet each of the following: (a) the Good Faith Deposit must be made in the amount specified above; (b) the bid must meet the minimum overbid requirements set forth in Sections 4(k)-(m) above in respect to the specific assets which it would encompass; (c) any subsequent bid must meet the requirements set forth in Section 8(g) below in respect to the specific assets which it would encompass; and (d) any condition to closing set forth in the applicable Proposed Asset Purchase Agreement cannot be more onerous (in any material respect) to the applicable Seller(s) than any similar conditions set forth in the Toprol APA, Vimovo APA, and/or Canadian Share Purchase Agreement, as applicable. For the avoidance of doubt, any Non-Conforming Bid may be for the purchase of any combination of some or all of the Toprol Assets, the Vimovo Assets, the Canadian Assets and/or any asset of Aralez Canada that would be transferred to the Canadian Purchaser pursuant to the Canadian Share Purchase Agreement.

Notwithstanding anything in these Bid Procedures to the contrary, the Toprol Purchaser is deemed to be a Qualified Bidder with respect to the Toprol Assets, the Vimovo Purchaser is deemed to be a Qualified Bidder with respect to the Vimovo Assets, the Canadian Purchaser is deemed to be a Qualified Bidder with respect to the Canadian Assets, the respective Stalking Horse Bids are deemed to be Qualified Bids in respect to the assets subject to each such Bid for all purposes in connection with the Bid Procedures, the Auction, and the respective sales, and the Stalking Horse Purchasers shall not be required to take any further action in order to attend and participate in the Auction (if any) or, if a Stalking Horse Purchaser is a Successful Bidder (as defined below), to be named a Successful Bidder at the Sale Hearing (as defined below).

The DIP Agent, on behalf of the DIP Lenders and the Prepetition Lenders, shall, at its sole discretion, also be a Qualified Bidder and may submit such bid and/or Subsequent Bids (as defined below) in cash, cash equivalents or other forms of consideration, including a credit bid, either in whole or in part, to the extent permitted under and consistent with section 363(k) of the Bankruptcy Code or the CCAA, as applicable, up to the full allowed amount of their claims, which credit bid(s) shall be deemed as a part of a Qualified Bid and/or Subsequent Bid in connection with the ~~bidding process~~ **Bidding Process**, the Auction,

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.

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding commenced at Toronto

**AFFIDAVIT OF KATHRYN ESAW
(SWORN OCTOBER 10, 2018)**

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