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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

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

Applicants

MOTION RECORD OF THE APPLICANTS
(Returnable December 7, 2018)

November 30, 2018

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

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I N D E X

TAB
1

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Applicants

NOTICE OF MOTION
(Returnable December 7, 2018)
(Re Sale Approval)

Aralez Pharmaceuticals Inc. ("**API**") and Aralez Pharmaceuticals Canada Inc. ("**Aralez Canada"**, and with API the "**Applicants"**), will make a motion to the Justice presiding over the Commercial List on December 7, 2018 at 10:00am at 330 University Avenue, Toronto, Ontario.

PROPOSED METHOD OF HEARING:

The motion is to be heard orally.

THE MOTION IS FOR:

1. The following orders:

   (a) an approval and vesting order (the "**Approval and Vesting Order**"), *inter alia*:

      (i) approving the sale transaction (the "**Transaction**") contemplated by a share purchase agreement (the "**Share Purchase Agreement**") among API, as vendor, Aralez Canada, as the corporation, and Nuvo Pharmaceuticals Inc., as the purchaser (the "**Purchaser**") dated September 18, 2018;

      (ii) vesting in the Purchaser all of API's right, title and interest in and to all of the shares in the capital of Aralez Canada; and

(iii) approving the Pre-Closing Reorganization (defined below) and authorizing the Applicants to complete any steps and transactions necessary or desirable to consummate the Pre-Closing Reorganization; and

(b) A CCAA termination order (the "**Aralez Canada Termination Order**"), *inter alia*:

(i) terminating the CCAA Proceedings (defined below) in respect of Aralez Canada upon the filing by Richter Advisory Group Inc. ("**Richter**") in its capacity as Monitor of the Applicants (the "**Monitor**") of a certificate confirming the occurrence of the Aralez Canada CCAA Termination Time (defined below);

(ii) fully, finally, irrevocably, unconditionally, automatically and forever terminating, waiving, discharging, extinguishing, cancelling, barring and releasing any and all debts, liabilities and obligations of Aralez Canada to Deerfield or any affiliate thereof;

(iii) fully, finally, irrevocably, unconditionally, automatically and forever terminating, waiving, discharging, extinguishing, cancelling, barring and releasing any and all debts, liabilities and obligations of Aralez Canada to API or any Affiliate thereof;

(iv) barring all Claims[1] as against Aralez Canada which have not been submitted pursuant to a Proof of Claim actually received by the Monitor on or before the Claims Bar Date or the Restructuring Period Claims Bar Date, as applicable, or determined to be a Claim against Aralez Canada by Order of the Court or with the consent of the Applicants, the Purchaser and the Monitor;

(v) enjoining the exercise of any rights against, among others, Aralez Canada (including any contractual termination rights) arising from or relating to

[1] All capitalized terms in this paragraph having the meanings given to them in the Claims Procedure Order granted by this Court dated October 10, 2018.

the insolvency of the Applicants or their affiliates, the commencement or existence of the CCAA proceedings, or the implementation of the Transaction, including, without limitation, as a result of the change of control of Aralez Canada resulting from the competition of the Transaction;

(vi) discharging the Monitor as against Aralez Canada; and

(c) an order extending the extending the stay of proceedings (the "**Stay Period**") to February 1, 2019; and

(d) such further and other relief as the Court deems just.

THE GROUNDS FOR THE MOTION ARE:

2. The Applicants, together with Aralez Pharmaceuticals Management Inc., Aralez Pharmaceuticals R&D Inc., Aralez Pharmaceuticals U.S. Inc., POZEN Inc., Halton Laboratories LLC, Aralez Pharmaceuticals Holdings Limited, and Aralez Pharmaceuticals Trading DAC (collectively, the "**Chapter 11 Entities**" and with the Applicants, the "**Aralez Entities**") are in the business of acquiring, developing, marketing and selling specialty pharmaceutical products, with a focus on cardiovascular health and pain management, in Canada, the U.S. and Ireland;

3. The Aralez Entities experienced financial difficulties, resulting in the Aralez Entities seeking protection from their creditors;

4. On August 10, 2018, the Applicants sought and were granted creditor protection and related relief under the CCAA (the "**CCAA Proceedings**") pursuant to the Initial Order of the Honourable Justice Dunphy (as subsequently amended and restated, the "**Initial Order**"). The Initial Order appointed Richter Advisory Group Inc. as Monitor;

5. Also on August 10, 2018, the Chapter 11 Entities filed voluntary petitions 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;

Sale of the Canadian Assets to the Purchaser

6. The Aralez Entities' restructuring strategy and sales process (the "**Sales Process**") includes the going concern sale of substantially all of their assets, and was pursued after careful and extensive consideration of the available alternatives and after having given due consideration to the interests of all stakeholders, and with the advice and assistance of financial and legal counsel, and which was approved by order of this Court on October 10, 2018;

7. Integral to the Sales Process are three stalking horse agreements (together, the "**Stalking Horse Agreements**") which were entered into on September 18, 2018 and served as the floor, or minimum acceptable bid, for the Sales Process, and were subject to higher or otherwise better offers canvased through the Sales Process;

8. The Share Purchase Agreement served as the stalking horse agreement for a significant portion of the Applicants' assets (the "**Canadian Stalking Horse Agreement**");

9. The Purchaser has agreed to purchase all of the shares of Aralez Canada (the "**Canadian Assets**"), which are held by API, for the purchase price of $62,500,000;

10. The sale of the Canadian Assets is subject to approval by the Canadian Court;

11. The bidding procedures governing the Sales Process (the "**Bidding Procedures**") were developed in consultation with the Monitor and subject to arm's length negotiations between the Applicants and various stakeholders, and were approved by the Court on October 10, 2018;

12. Throughout the Sales Process, the Aralez Entities and their investment banker have conducted a broad marketing effort for the Aralez Entities' assets and business, including the CCAA Entities' assets and business, all in accordance with the Bidding Procedures;

13. Pursuant to the Bidding Procedures, the Applicants have engaged with, *inter alia*, Deerfield Management Company, L.P. ("**Deerfield**"), the Monitor, counsel to the Monitor and the Official Committee of the Unsecured Creditors in the Chapter 11 Proceedings (collectively, the "**Consultation Parties**") during the Sales Process when appropriate, including delivering regular updates on the status of the Sales Process to the Consultation Parties and their respective advisors;

14. Pursuant to the Bidding Procedures, the bid deadline was November 26, 2018 at 5:00 p.m. The Purchaser was the only party who submitted a bid for the Canadian Assets;

15. The Applicants believe, in their business judgment, that the universe of potential purchasers has been canvassed and that interested parties had sufficient opportunity to develop and submit bids;

16. The Monitor supported the Bidding Procedures and will be filing a report regarding the Transaction;

Specified Amount Claims

17. Claims against Aralez Canada must be received by the Monitor by November 29, 2018 at 5:00 p.m.;

18. Per the Canadian Stalking Horse Agreement, certain amounts potentially owing by Aralez Canada (the "**Specified Amounts**") will be deducted from the purchase price unless (a) no claim is filed in respect of such Specified Amount or (b) a claim is filed (a "**Specified Amount Claim**") and is finally determined not to be a valid claim in the claims process;

19. In the event a Specified Amount Claim is not finally determined in the claims process prior to the Closing of the Transaction, the Specified Amount will be deducted from the purchase price. If the Specified Amount Claim is finally determined to be disallowed under the claims process, the Purchaser will remit such disallowed amount to the Monitor;

Pre-Closing Reorganization

20. Prior to closing the Transaction, the Applicants intend to complete a number of corporate reorganization steps (collectively, the "**Pre-Closing Reorganization**") which will have the effect of, among other things, consensually releasing Aralez Canada of its pre-filing secured debt and any obligations under the DIP facility, preserving tax losses and cancelling out intercompany debt so that post-closing Aralez Canada, on the one hand, and the remaining Aralez Entities, on the other hand, shall not have any claims against each other;

Aralez Canada Termination Order

21. Due to fact that the Transaction is structured as a share deal, Aralez Canada's CCAA Proceedings must be terminated in order for the company to move forward post-closing;

22. As the Transaction is structured as a share deal, subject to the terms of the Aralez Canada Termination Order, all obligations of Aralez Canada shall remain as unaffected obligations;

23. Upon delivery of a Monitor's certificate (the "**CCAA Termination Time**"), Aralez Canada's debts and liabilities to Deerfield or any of its affiliates shall be released, as shall Aralez Canada's debts and liabilities to API or any of the other Aralez Entities, while all other Agreements (as that term is defined in the Aralez Canada Termination Order) shall remain in force;

24. Claims not filed by the Claims Bar Date shall be barred and all persons shall be enjoined from exercising, enforcing or relying on any rights, remedies, claims or benefits (including, without limitation, any contractual termination rights) arising from, among other things, the insolvency of the Applicants, the CCAA Proceedings or the Transaction, including, without limitation, as a result of the change of control of Aralez Canada resulting from the Transaction;

25. Any and all Persons, including any and all counterparties to an Agreement, will be prohibited and forever stayed, barred, estopped and enjoined from exercising, enforcing or relying on any rights, remedies, claims or benefits (including, without limitation, any contractual termination rights) in respect of or as against (i) the Purchaser or any of its Affiliates, (ii) Aralez Canada or its Property (as that term is defined in the Initial Order), or (iii) the respective directors, officers, employees or representatives of the Purchaser or any of its Affiliates or Aralez Canada, in any way arising from or relating to:

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

(b) the commencement or existence of these proceedings, or any other insolvency, restructuring, administration, bankruptcy or similar proceeding involving the Applicants or any Existing Affiliate (provided that any such proceeding in respect of the Applicants was commenced prior to the Aralez Canada CCAA Termination Time) and, for greater certainty, including any deferral or

interruption of payments and any incurrence or creation of charges arising from or relating to any such proceeding; or

(c) the entering into and implementation of the Share Purchase Agreement and the Transaction, including, without limitation, as a result of a change of control of Aralez Canada resulting from the completion of the Transaction.

Stay extension

26. the Monitor will be filing a report in support of the extension of the Stay Period to February 1, 2019.

27. The extension of the Stay Period through to February 1, 2019 will provide the stability necessary for the Applicants to continue their restructuring proceedings in an orderly and efficient manner including closing the Transaction;

28. The Applicants have acted and continue to act in good faith and with due diligence, no creditor will suffer any material prejudice if the Stay Period is extended to February 1, 2019 and the monitor is expected to support this relief.

GENERAL

29. The provisions of the CCAA, including section 36 thereof, and the inherent and equitable jurisdiction of this Court;

30. Rules 1.04, 1.05, 2.03, and 37 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended; and

31. Such further grounds as counsel may advise and this Court may see fit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the motion hearing:

32. The Affidavit of Adrian Adams, sworn November 29, 2018, and the exhibits thereto;

33. A report of the Monitor to be filed; and

34. Such further and other materials as counsel may advise and this Court may permit.

November 29, 2018

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Lawyers for the Applicants

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. ET AL.

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

NOTICE OF MOTION
(RETURNABLE DECEMBER 7, 2018)

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TAB 2

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

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

Applicants

AFFIDAVIT OF ADRIAN ADAMS
(Sworn November 29, 2018)

I, Adrian Adams, of the Town of Devon, in the State of Pennsylvania, MAKE OATH AND SAY:

1. I am the Chief Executive Officer of the Applicant, Aralez Pharmaceuticals Inc. ("**API**") which is the parent company of Aralez Pharmaceuticals Canada Inc. ("**Aralez Canada**" and, together with API, the "**Applicants**"). As a result of my role with API, I have certain knowledge of the matters to which I hereinafter depose. I have also reviewed certain books and records of the Applicants and have spoken with and relied upon certain of the directors, officers, employees and/or advisors of the Applicants, as necessary and applicable. Where I have relied upon such information, I believe such information to be true.

2. All references to currency in this affidavit are references to United States dollars, unless otherwise indicated.

3. This affidavit is sworn in support of a motion brought by the Applicants under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**" and such proceedings, the "**CCAA Proceedings**") seeking:

(a) an approval and vesting order (the "**Approval and Vesting Order**"), *inter alia*:

(i) approving the sale transaction (the "**Transaction**") contemplated by a share purchase agreement (the "**Share Purchase Agreement**") among

API, as vendor, Aralez Canada, as the corporation, and Nuvo Pharmaceuticals Inc., as the purchaser (the "**Purchaser**") dated September 18, 2018;

(ii) vesting in the Purchaser all of API's right, title and interest in and to all of the shares in the capital of Aralez Canada; and

(iii) approving the Pre-Closing Reorganization (defined below) and authorizing the Applicants to complete any steps and transactions necessary or desirable to consummate the Pre-Closing Reorganization; and

(b) A CCAA termination order (the "**Aralez Canada Termination Order**"), *inter alia*:

(i) terminating the CCAA Proceedings in respect of Aralez Canada upon the filing by Richter Advisory Group Inc. ("**Richter**") in its capacity as Monitor of the Applicants (the "**Monitor**") of a certificate confirming the occurrence of the Aralez Canada CCAA Termination Time (defined below);

(ii) fully, finally, irrevocably, unconditionally, automatically and forever terminating, waiving, discharging, extinguishing, cancelling, barring and releasing any and all debts, liabilities and obligations of Aralez Canada to Deerfield or any Affiliate thereof;

(iii) fully, finally, irrevocably, unconditionally, automatically and forever terminating, waiving, discharging, extinguishing, cancelling, barring and releasing any and all debts, liabilities and obligations of Aralez Canada to API or any Affiliate thereof;

(iv) barring all Claims[1] as against Aralez Canada which have not been submitted pursuant to a Proof of Claim actually received by the Monitor on or before the Claims Bar Date or the Restructuring Period Claims Bar

[1] All capitalized terms in this paragraph having the meanings given to them in the Claims Order granted by this Court dated October 10, 2018.

Date, as applicable, or determined to be a Claim against Aralez Canada by Order of the Court or with the consent of the Applicants, the Purchaser and the Monitor; and

(v) discharging the Monitor as against Aralez Canada; and

(c) an order extending the Stay Period (defined below) to February 1, 2019; and

(d) such further and other relief as the Court deems just.

A. BACKGROUND AND STATUS OF THE PROCEEDINGS

i. Background to these Restructuring Proceedings

4. The Applicants are two entities within a larger corporate structure that includes Aralez Pharmaceuticals Management Inc., Aralez Pharmaceuticals R&D Inc., Aralez Pharmaceuticals U.S. Inc., POZEN Inc. ("**Pozen**"), Halton Laboratories LLC, Aralez Pharmaceuticals Holdings Limited, and Aralez Pharmaceuticals Trading DAC ("**Aralez DAC**" and collectively, the "**Chapter 11 Entities**" and, with the Applicants, the "**Aralez Entities**"). The current corporate structure of the Aralez Entities is the result of a business combination between Pozen and what is now Aralez Canada[2] that was completed in early 2016.

5. As described in greater detail in the affidavit sworn by Andrew I. Koven on August 9, 2018 in support of the Applicants' application for protection under the CCAA (the "**Initial Affidavit**"), the Aralez Entities are in the business of acquiring, developing, marketing and selling speciality pharmaceutical products. API, a company incorporated under the laws of British Columbia, is the public holding company that is the ultimate parent of the other Aralez Entities. Canadian operations are largely conducted through Aralez Canada, with supply chain management and quality assurance conducted by Aralez DAC. Aralez Canada is incorporated under the laws of Ontario.

6. As a result of certain negative events described in the Initial Affidavit, on August 10, 2018, the Applicants sought and were granted creditor protection and related relief under the CCAA pursuant to an Order (as amended, the "**Initial Order**") of this Court (the "**Canadian Court**").

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[2] Originally, Tribute Pharmaceuticals Canada Inc. but pursuant to an internal reorganization, Aralez Canada.

7. Also on August 10, 2018, the Chapter 11 Entities filed voluntary petitions under chapter 11 of title 11 of the United States Code (the "**Chapter 11 Proceedings**" and together with the CCAA Proceedings, the "**Restructuring Proceedings**") in the United States Bankruptcy Court for the Southern District of New York (the "**U.S. Court**").

8. The Aralez Entities retained Alvarez & Marsal Healthcare Industry Group, LLC and Alvarez & Marsal Canada Inc. (together, "**A&M**"), to assist the Aralez Entities in their restructuring efforts, including assistance in cash management and implementing a restructuring plan. The Aralez Entities also engaged the services of Moelis & Company LLC ("**Moelis**") to act as the investment banker to the Aralez Entities during these proceedings.

9. A copy of each of the Initial Affidavit, the Initial Order and all other filings in the CCAA Proceedings, is available on the Monitor's website for these proceedings at: <http://insolvency.richter.ca/A/Aralez-Pharmaceuticals>.

10. Additional details regarding the background to these CCAA Proceedings are set out in the Initial Affidavit and, unless relevant to the present motion, are not repeated herein.

ii. Status of these CCAA Proceedings

11. Since the granting of the Initial Order on August 10, 2018, the Applicants, with the assistance of A&M and the oversight of the Monitor, have been working diligently to maintain the stability of the business operations, manage relationships with key stakeholders and carry out the terms of the Initial Order, as well as to develop and execute a sales process with a stalking horse bidder. As a result of these efforts the Applicants have continued to operate without significant disruption.

12. The Applicants' notable recent activities include the following:

(a) conducting the call for claims contemplated in the claims order approved by this Court on October 10, 2018 (the "**Claims Order**");

(b) developing a cross-border protocol, which received approval of this Court on October 25, 2018;

(c) seeking approval of a key employee retention plan and key employee incentive plan, which received approval of this Court on November 16, 2018, and November 21, 2018, respectively; and

(d) negotiating the disposition of certain ancillary assets not subject to the Sales Process (as that term is defined below).

iii. Update regarding the Claims Process

13. The Claims Order called for claims against the Applicants and their current and former directors and officers. The bar date for claims is November 29, 2018 at 5:00 pm (the "**Claims Bar Date**"). While this affidavit is sworn prior to the deadline, to date a number of claims have been submitted and the Applicants, with the assistance of the Monitor, are considering next steps, with the intention of determining a process for resolution once the Claims Bar Date has passed.

B. THE SALES PROCESS

i. The Development of the Sales Process

14. An essential component of the Aralez Entities' restructuring is the going concern sale of substantially all of their assets following a comprehensive marketing process (the "**Sales Process**").

15. As described in greater detail in my affidavit sworn October 1, 2018 (the "**Sale Process Affidavit**") in support of the Applicants' motion for approval of the bidding procedures governing the Sales Process (the "**Bidding Procedures**"), the Aralez Entities decided to pursue the Sales Process after careful and extensive consideration of the available alternatives and after having given due consideration to the interests of all stakeholders. The Sales Process was developed with the assistance, input and advice of Moelis, A&M and legal counsel, and was unanimously recommended by the board of directors of API. A copy of the Sales Process Affidavit is attached hereto as **Exhibit "A"**, which sets out in greater details the terms and conditions of the Stalking Horse Agreements (as that term is defined below), the Bidding Procedures and the Sales Process.

16. Leading up to the signing of three stalking horse agreements (the "**Stalking Horse Agreements**") which form an integral part of the Sales Process, detailed below, Moelis, as the

investment banker to the Aralez Entities, reached out to 68 potential acquiring parties for Toprol-XL and its authorized generic (together, the "**Toprol-XL Franchise**") and 38 potential acquiring parties for either the whole company or a combination of the Vimovo royalties (the "**Vimovo Assets**") and certain Canadian assets. The Aralez Entities ultimately distributed a confidential presentation to 27 potential acquirers who signed a non-disclosure agreement ("**NDA**") with respect to the Toprol-XL Franchise and 26 potential acquirers who signed an NDA with respect to a combination of Vimovo and certain of the Applicants' assets. All parties who signed an NDA received a confidential presentation. A total of 14 parties received confidential presentations with respect to both groups of assets. After significant negotiations, the stalking horse purchasers signed non-binding letters of intent on August 9, 2018. After more than five additional weeks of negotiations, the Stalking Horse Agreements were signed.

The Stalking Horse Agreements

17. The Stalking Horse Agreements were entered into on September 18, 2018 and served as the floor, or minimum acceptable bid, for the Sales Process, and were subject to higher or otherwise better offers canvased through the Sales Process.

18. One of the Stalking Horse Agreements provides for the sale of a significant portion of the Applicants' assets (the "**Canadian Stalking Horse Agreement**"). The Canadian Stalking Horse Agreement is between the Applicants and the Purchaser, whereby the Purchaser agreed to purchase all of the shares of Aralez Canada (the "**Canadian Assets**"), which are held by API, for the purchase price of $62,500,000, subject to higher or otherwise better offers. A copy of the Canadian Stalking Horse Agreement is attached hereto as **Exhibit "B"**.

19. Pursuant to the Canadian Stalking Horse Agreement, the sale of the Canadian Assets is subject to approval by the Canadian Court and that approval must be substantially in the form negotiated. Approval by the U.S. Court is not a condition to closing, and is not being sought in the Restructuring Proceedings.

20. Two other stalking horse agreements were entered into by certain of the Chapter 11 Entities and are detailed in the Sales Process Affidavit. In brief, one is an asset purchase agreement pursuant to which a related party to the Purchaser (the "**Vimovo Purchaser**") will purchase the Vimovo Assets for the purchase price of $47,500,000. The other is an asset purchase agreement pursuant to which the pre-filing secured lender (Deerfield Private Design

Fund III, L.P. and Deerfield Partners, L.P., the DIP lenders in the Restructuring Proceedings (the "**DIP Lenders**")) will purchase the Toprol-XL Franchise assets (the "**Toprol Assets**") by way of a credit bid of $130,000,000.

21. There is no cross-conditionality between the stalking horse agreement for the Toprol Assets (the "**Toprol Stalking Horse Agreement**") and the Canadian Stalking Horse Agreement. The Canadian Stalking Horse Agreement is conditional upon the satisfaction or waiver of certain conditions in the stalking horse agreement for the Vimovo Assets (the "**Vimovo Stalking Horse Agreement**"), and in the event the Vimovo Stalking Horse Agreement is terminated (including by reason of the Vimovo Purchaser not being selected as the winning bidder for Vimovo Assets), the Purchaser may terminate the Canadian Stalking Horse Agreement. The Vimovo Stalking Horse Agreement has corresponding conditions and termination rights with respect to the Canadian Stalking Horse Agreement. The Vimovo and Toprol Stalking Horse Agreements are subject to the approval of the U.S. Court; they are not before the Canadian Court for approval.

The Bidding Procedures

22. The Bidding Procedures were developed in consultation with the Monitor and subject to arm's length negotiations between the Applicants and various stakeholders, including the Purchaser, the DIP Lenders, and the Official Committee of the Unsecured Creditors in the Chapter 11 Proceedings (the "**UCC**").

23. The Bidding Procedures described, among other things, the procedures for parties to access due diligence, the manner in which bids become "qualified", the procedures for receipt and negotiation of bids received, the conduct of any auction, the selection and approval of any ultimately successful bidders, and related deadlines.

24. As part of an effort to maintain flexibility, the Bidding Procedures permitted parties to bid for any combination of the Toprol Assets, Vimovo Assets and the Canadian Assets (collectively, the "**Purchased Assets**"), including the ability for parties to purchase the assets of Aralez Canada which were the subject of the Share Purchase Agreement, rather than the shares of Aralez Canada as contemplated in the Canadian Stalking Horse Agreement.

25. The Canadian Court approved the Canadian Stalking Horse Agreement and the Bidding Procedures on October 10, 2018. The U.S. Court issued an order approving the Bidding

Procedures on October 11, 2018. A copy of the Canadian Court order approving the Bidding Procedures is attached hereto as **Exhibit "C"**.

ii. The Status of the Sales Process

26. Immediately upon the approval of the Bidding Procedures, the Aralez Entities, with the assistance of Moelis, started marketing the assets subject to the Share Purchase Agreement and the Vimovo Agreement.

27. Throughout the Sales Process, the Aralez Entities and Moelis have conducted a broad remarketing effort for the Aralez Entities' assets and business. Over the course of this process, Moelis contacted 156 potentially interested parties, including approximately 30 financial sponsors. Following the initial solicitation, 24 interested parties executed non-disclosure agreements with the Aralez Entities in order to begin due diligence and potentially develop a bid for some combination of the Aralez Entities' business.

28. To facilitate due diligence for the 24 parties that executed a non-disclosure agreement with the Aralez Entities, interested parties were given (i) confidential information containing significant information of the Applicants' various business lines; (ii) access to a data-room, which was set-up and maintained by the Applicants and Moelis; (iii) opportunities to receive a management presentation from the Applicants and (iv) access to channels through which they could contact the Applicants' and their advisors with diligence questions.

29. Pursuant to the Bidding Procedures, the Applicants have engaged with, *inter alia*, Deerfield Management Company, L.P. (as administrative agent), the Monitor, counsel to the Monitor and the UCC (collectively, the "**Consultation Parties**") during the Sales Process when appropriate, including delivering regular updates on the status of the Sales Process to the Consultation Parties and their respective advisors.

30. The Consultation Parties were given the opportunity to, and did, comment on the list of parties the Applicants approached regarding the assets for sale within the Bidding Procedures. I am advised that Moelis contacted all appropriate parties whose names were provided by the Monitor or the advisors of stakeholders.

31. The Applicants conducted frequent status checks with the Monitor, either by phone or email, through the Applicants' counsel and/or investment bankers.

32. Pursuant to the Bidding Procedures, the bid deadline was November 26, 2018 at 5:00 p.m. (the "**Bid Deadline**"). The Purchaser was the only party who submitted a bid for the Canadian Assets. Notably, there were two parties that expressed a strong interest in the Canadian Assets and who were highly engaged in discussions with Moelis. Ultimately, neither party submitted a bid as they both valued the Canadian Assets at an amount lower than what the Purchaser was willing to pay, indicating that the Purchaser's stalking horse bid is a good deal for the Applicants.

33. Two bids were received in the Chapter 11 Proceedings. One bid was for the Toprol Assets, which was ultimately determined to not be a "Qualified Bid". The other bid was for the Vimovo Assets and was determined to be a "Qualified Bid"; however, the Chapter 11 Entities, after consultation with the required parties, determined not to conduct an auction in respect of the Vimovo Assets.

34. Until the Bid Deadline, the Applicants and their advisors continued to facilitate and encourage the sale of the Applicants' assets. The Applicants believe, in their business judgment, that the universe of potential purchasers has been canvassed and that interested parties had sufficient opportunity to develop bids.

iii. The Auction

35. The Bidding Procedures contemplated that if one or more qualified bids (other than the Stalking Horse Agreements) were received with respect to any of the Toprol Assets, Vimovo Assets, and/or Canadian Assets, there would have been one or more auctions of the applicable Purchased Assets at 1:00 p.m. (prevailing Eastern Time) on November 29, 2018, at the New York offices of Willkie Farr & Gallagher LLP or such other location as shall be timely communicated by the Aralez Entities to all entities entitled to attend the auction.

36. Given the circumstances described above, no auction will be held.

iv. Outstanding Conditions to Closing

37. There are customary conditions to closing outstanding with respect to the Canadian Stalking Horse Agreement, including granting of the Approval and Vesting Order and the Aralez Canadian Termination Order substantially in the form request requested, which conditions are anticipated to be satisfied or waived before or at Closing.

v. Specified Amount Claims and Potential Purchase Price Adjustment

38. The Claims Order provides that all claims against Aralez Canada must be received by the Monitor by November 29, 2018 at 5:00 p.m. Per the Canadian Stalking Horse Agreement, certain amounts potentially owing by Aralez Canada (the "**Specified Amounts**") will be deducted from the purchase price unless (a) no claim is filed in respect of such Specified Amount or (b) a claim is filed (a "**Specified Amount Claim**") and is finally determined not to be a valid claim in the claims process.

39. In the event a Specified Amount Claim is not finally determined in the claims process prior to the Closing of the Transaction, the Specified Amount will be deducted from the purchase price. If the Specified Amount Claim is finally determined to be disallowed under the claims process, the Purchaser will remit such disallowed amount to the Monitor.

vi. Pre-Closing Reorganization

40. Prior to closing the Transaction and as contemplated by the Canadian Stalking Horse Agreement, the Applicants intend to complete a number of corporate reorganization steps (collectively, the "**Pre-Closing Reorganization**") which will have the effect of, among other things, consensually releasing Aralez Canada of its pre-filing secured debt and any obligations under the DIP facility, preserving tax losses and cancelling out intercompany debt so that post-closing Aralez Canada, on the one hand, and the remaining Aralez Entities, on the other hand, shall not have any claims against each other.

41. The Pre-Closing Reorganization is contemplated in section 6.4 of the Canadian Stalking Horse Agreement, which may be subject to minor modifications as agreed upon between Aralez Canada and the Purchaser, and is described in greater detail in **Exhibit "D"** hereto. In the event that any changes are made to the Pre-Closing Reorganization, such changes will be communicated to this Court.

42. The Applicants have discussed the Pre-Closing Reorganization, including the specific transactions and steps that are contemplated to complete the Pre-Closing Reorganization, with the Monitor, the Purchaser and the DIP Lenders.

vii. The Closing Date

43. Pursuant to the Canadian Stalking Horse Agreement, the Closing Date of the Transaction is anticipated to be:

(a) 16 days following the day on which the last of the closing conditions in the Canadian Stalking Horse Agreement are satisfied or waived, other than those conditions which by their nature can only be satisfied as of the Closing Date; or

(b) such earlier or later date as the Purchaser, API and Aralez Canada may agree in writing provided that, for greater certainty, the Closing Date shall be the same as the date of the closing of the transactions contemplated by the U.S. Asset Purchase Agreement.

C. ARALEZ CANADA TERMINATION ORDER

44. As noted above, the Share Purchase Agreement requires that the Aralez Entities shall bring a motion for approval of an order terminating the CCAA Proceedings as against Aralez Canada.

45. As the Canadian Stalking Horse Agreement is a share purchase agreement, Aralez Canada's CCAA Proceedings must be terminated in order for the company to move forward post-closing. Among other things, the Aralez Canada Termination Order provides that upon delivery of a Monitor's certificate (the "**CCAA Termination Time**"), Aralez Canada's debts and liabilities to Deerfield or any of its affiliates shall be released, as shall Aralez Canada's debts and liabilities to API or any of the other Aralez Entities. All other Agreements (as that term is defined in the Aralez Canada Termination Order) shall remain in force.

46. The Aralez Canada Termination Order also provides that: (i) Claims not filed by the Claims Bar Date shall be barred; (ii) all persons shall be enjoined from exercising, enforcing or relying on any rights, remedies, claims or benefits (including, without limitation, any contractual termination rights) arising from, among other things, the insolvency of the Applicants, the CCAA Proceedings or the Transaction, including, without limitation, as a result of the change of control of Aralez Canada resulting from the Transaction; and (iii) the Monitor shall be discharged in respect of Aralez Canada at the CCAA Termination Time.

47. The form of Aralez Canada Termination Order was included in the motion record in support of the Sales Process Order dated on October 10, 2018.

D. STAY EXTENSION

48. The Initial Order granted a stay of proceedings up to and including September 7, 2018 (the "**Stay Period**"). The Stay Period was extended twice: first to November 14, 2018; and then to December 7, 2018. The Applicants are seeking to extend the Stay Period to February 1, 2019, including to provide time to close the Transaction, which they anticipate will occur prior to the end of 2018.

49. Following closing of the Transaction and during the Stay Period, the Applicants intend to:

(a) Address any post-closing matters ancillary to the Transaction;

(b) Review the proofs of claims submitted pursuant to the Claims Order and, as may be necessary, develop a claims process to quantify the claims against the Applicants;

(c) Advance the distribution of proceeds arising from the Transaction to stakeholders; and

(d) Address any other issues as they arise in the Restructuring Proceedings.

50. It is my understanding that the Monitor will be filing a report in support of the extension of the Stay Period to February 1, 2019.

51. The extension of the Stay Period through to February 1, 2019 will allow the Applicants to advance the Restructuring Proceedings by pursuing the initiatives outlined above in an effort to maximize recoveries to stakeholders. Extending the Stay Period will provide the stability necessary for the Applicants to continue the Restructuring Proceedings in an orderly and efficient manner.

52. The Applicants have acted and continue to act in good faith and with due diligence. I do not believe that any creditor will suffer any material prejudice if the Stay Period is extended to February 1, 2019.

E. CONCLUSION

53. It is my belief that granting the relief sought herein and the extension of the Stay Period are appropriate next steps in the CCAA Proceedings and will provide a pathway for completing the restructuring of the Aralez Entities in a manner that will maximize value for stakeholders.

SWORN BEFORE ME in the Town of Devon, in the State of Pennsylvania, on November 29, 2018.

~~Commissioner~~ for Taking Affidavits
NOTARY PUBLIC

COMMONWEALTH OF PENNSYLVANIA
NOTARIAL SEAL
Michael D. Serratore, Notary Public
Whitemarsh Twp., Montgomery County
My Commission Expires Dec. 21, 2019
MEMBER, PENNSYLVANIA ASSOCIATION OF NOTARIES

ADRIAN ADAMS

Commonwealth of Pennsylvania
County of CHESTER

EXHIBIT "A"

referred to in the Affidavit of

ADRIAN ADAMS

Sworn November 29, 2018

MDS MICHAEL D. SERRATORE
~~Commissioner~~ for Taking Affidavits
NOTARY PUBLIC

COMMONWEALTH OF PENNSYLVANIA
NOTARIAL SEAL
Michael D. Serratore, Notary Public
Whitemarsh Twp., Montgomery County
My Commission Expires Dec. 21, 2019
MEMBER, PENNSYLVANIA ASSOCIATION OF NOTARIES

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

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

(Applicants)

AFFIDAVIT OF ADRIAN ADAMS

I, Adrian Adams, of the Town of Devon, in the State of Pennsylvania, MAKE OATH AND SAY:

1. I am the Chief Executive Officer of the Applicant, Aralez Pharmaceuticals Inc. ("**API**") which is the parent company of Aralez Pharmaceuticals Canada Inc. ("**Aralez Canada**" and, together with API, the "**CCAA Entities**" or the "**Applicants**"). As a result of my role with API, I have certain knowledge of the matters to which I hereinafter depose. I have also reviewed certain books and records of the Applicants and have spoken with and relied upon certain of the directors, officers, employees and/or advisors of the Applicants, as necessary and applicable. Where I have relied upon such information, I believe such information to be true.

2. All references to currency in this affidavit are references to United States dollars, unless otherwise indicated.

3. This affidavit is sworn in support of the Applicants' motions seeking:

   (a) an order (the "**Bidding Procedures Order**") substantially in the form of the draft order attached at Tab "3" of the Motion Record:

      (i) authorizing and directing the CCAA Entities and Richter Advisory Group Inc. in its capacity as monitor of the Applicants (the "**Monitor**") to commence a sales process (the "**Sales Process**") pursuant to the bidding procedures in the form attached as Schedule "A" (the "**Bidding Procedures**") to the Bidding Procedures Order in accordance with its terms and perform their respective obligations thereunder;

(ii) authorizing the CCAA Entities, *nunc pro tunc*, to execute the Canadian Stalking Horse Agreement (as that term is defined below);

(iii) approving the Bid Protections (as that term is defined below);

(iv) approving a charge in respect of the Bid Protections (the "**Bid Protections Charge**") on the Applicants' current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situated, including all proceeds thereof (the "**Property**"); and

(v) approving the amendment to the Genus APA (as that term is defined below) and related relief;

(b) an order (the "**Claims Procedure Order**") substantially in the form of the draft Order included with the Motion Record at Tab "4" approving a process to solicit Claims against the Applicants and the establishment of claims bar dates for filing Proofs of Claim;

(c) an order, substantially in the form of the draft order attached at Tab "5" of the Motion Record, extending the stay of proceedings (the "**Stay Period**") in respect of the Applicants to December 7, 2018; and

(d) such further and other relief as the Court deems just.

I. BACKGROUND OF THE CCAA ENTITIES AND STATUS OF THE PROCEEDINGS

4. The CCAA Entities are two entities within a larger corporate structure that includes Aralez Pharmaceuticals Management Inc., Aralez Pharmaceuticals R&D Inc., Aralez Pharmaceuticals U.S. Inc., POZEN Inc. ("**Pozen**"), Halton Laboratories LLC, Aralez Pharmaceuticals Holdings Limited, and Aralez Pharmaceuticals Trading DAC ("**Aralez DAC**" and collectively, the "**Chapter 11 Entities**" and, with the CCAA Entities, the "**Aralez Entities**"). The current corporate structure of the Aralez Entities is the result of a business combination between Pozen and what is now Aralez Canada[1] that was completed in early 2016.

5. As described in greater detail in the affidavit sworn by Andrew I. Koven on August 9, 2018 in support of the Applicants' application for protection under the CCAA (the "**Initial Affidavit**"), the Aralez Entities are in the business of acquiring, developing, marketing and selling speciality pharmaceutical products. API, a company incorporated under the laws of British Columbia, is the public holding company that is the ultimate parent of the other Aralez Entities. Canadian operations are largely conducted through Aralez Canada, with supply chain

[1] Originally, Tribute Pharmaceutical Canada Inc. but pursuant to an internal reorganization, Aralez Canada.

management and quality assurance conducted by Aralez DAC. Aralez Canada is incorporated under the laws of Ontario.

6. As a result of certain negative events detailed in the Initial Affidavit, on August 10, 2018, the Aralez Entities sought and were granted creditor protection and related relief under the CCAA (the "**CCAA Proceedings**") pursuant to an Order (as subsequently amended and restated, the "**Initial Order**") of this Court (the "**Canadian Court**").

7. Also on August 10, 2018, the Chapter 11 Entities filed voluntary petitions under chapter 11 of title 11 of the United States Bankruptcy Code (the "**Chapter 11 Proceedings**" and together with the CCAA Proceedings, the "**Restructuring Proceedings**") in the United States Bankruptcy Court for the Southern District of New York (the "**U.S. Court**"). Judge Martin Glenn of the U.S. Court granted certain interim relief in the Chapter 11 Proceedings on August 14, 2018, and granted such relief on a final basis on September 14, 2018.

8. The Aralez Entities retained Alvarez & Marsal Healthcare Industry Group, LLC and Alvarez & Marsal Canada Inc. (together, "**A&M**"), to assist the Aralez Entities in their restructuring efforts, including assistance in cash management and implementing a restructuring plan. The Aralez Entities also engaged the services of Moelis & Company LLC ("**Moelis**") to act as the investment banker to the Aralez Entities during these proceedings.

9. A copy of each of the Initial Affidavit and the Initial Order is attached hereto as **Exhibit "A"** and **Exhibit "B"**, respectively, and is available, together with all other filings in the CCAA Proceedings, on the Monitor's website for these proceedings at: <http://insolvency.richter.ca/A/Aralez-Pharmaceuticals>.

10. Additional details regarding the background to these CCAA Proceedings are set out in the Initial Affidavit and, unless relevant to the present motion, are not repeated herein. Capitalized terms used herein but not otherwise defined have the meanings ascribed to them in the Initial Affidavit.

A. Status of Proceedings

11. Since the granting of the Initial Order on August 10, 2018, the CCAA Entities, with the assistance of A&M and oversight of the Monitor, have been working diligently to maintain the stability of the business operations, manage relationships with key stakeholders and carry out

the terms of the Initial Order, as well as to develop the Sales Process contemplated by the Bidding Procedures and finalize associated documentation. As a result of these efforts the CCAA Entities have continued to operate without significant disruption.

12. The CCAA Entities' activities since the Initial Order include the following:

(a) communicating with key suppliers to advise of the Restructuring Proceedings, confirming post-filing supply arrangements, and ensuring continued availability of drug and other products;

(b) making certain payments to creditors as contemplated by and in accordance with the terms of the Initial Order;

(c) providing Deerfield Management Company, L.P. (the "**DIP Agent**") with information required under the debtor-in-possession financing agreement approved by the Canadian Court in the Initial Order (as subsequently amended, the "**DIP Agreement**"); and

(d) working with the Chapter 11 Entities to advance the Restructuring Proceedings and to achieve a coordinated approach to various matters of common interest, including with respect to establishing a sales process, DIP financing, employee and other stakeholder communications, and managing post-filing supply arrangements with global suppliers.

13. The CCAA Entities have entered into amendments to the DIP Agreement dated August 31, 2018 and September 14, 2018 in order to update milestone dates and correct a non-material discrepancy with the debtor-in-possession financing agreement approved in the Chapter 11 Proceedings. A copy of the DIP Agreement amendments are attached hereto as **Exhibit "C"**.

II. THE SALES PROCESS

A. Process for Selecting the Stalking Horse Bidder

14. Prior to the commencement of the Restructuring Proceedings, in response to their financial difficulties, the Aralez Entities began exploring and evaluating strategic business

opportunities to enhance liquidity, including potential refinancing transactions, non-core product divestitures, and mergers and acquisitions activities, among others.

15. Since the beginning of 2018, with the assistance of their legal and financial advisors, the Aralez Entities have been engaged in active discussions with a number of potentially interested parties to divest various businesses and assets, including their Canadian operations and U.S. and Canadian rights to distribute certain drug products and/or royalty streams resulting therefrom. The Aralez Entities engaged Moelis as their investment banker to assist with a marketing process. Moelis reached out to 68 potential acquiring parties for Toprol-XL and its authorized generic (together, the "**Toprol-XL Franchise**") and 38 potential acquiring parties for either the whole company or a combination of the Vimovo royalties and certain Canadian assets. The Aralez Entities ultimately distributed a confidential presentation to 27 potential acquirers who signed a non-disclosure agreement ("**NDA**") with respect to the Toprol-XL Franchise and 26 potential acquirers who signed an NDA with respect to a combination of Vimovo and certain of the CCAA Entities' assets. All parties who signed an NDA received a confidential presentation. A total of 14 parties received confidential presentations with respect to both groups of assets.

16. After careful and extensive consideration of the available alternatives and having given due consideration to the interests of all stakeholders, the Aralez Entities, with the unanimous recommendation of the board of directors of API and with assistance, input and advice from Moelis, A&M and legal counsel, determined that the appropriate approach was to proceed with a sale of certain of their assets through one or more sales pursuant to (a) the CCAA, with respect to the CCAA Entities, and (b) the Bankruptcy Code, with respect to the Chapter 11 Entities. Concurrently with the commencement of the Restructuring Proceedings, the Aralez Entities announced their intention to enter into Stalking Horse Agreements to sell the Purchased Assets (as those terms are defined below), subject to higher or otherwise better offers canvased through a sales process.

17. Since the commencement of the Restructuring Proceedings, the Aralez Entities have been engaged in extensive, arm's length, good faith negotiations, and have now executed definitive sale documentation in the form of the Stalking Horse Agreements.

B. The Stalking Horse Agreements

18. The Applicants are seeking approval of the Canadian Stalking Horse Agreement, which represents the culmination of their pre-filing marketing efforts for the Aralez Entities' Canadian business as well as significant post-filing negotiations to finalize the documents. The Chapter 11 Entities are concurrently seeking approval of the Vimovo Stalking Horse Agreement and the Toprol Stalking Horse Agreement (as those terms are defined below). While the CCAA Entities are not parties to, and are therefore not seeking approval of, the Vimovo Stalking Horse Agreement or the Toprol Stalking Horse Agreement, they are each described below as the sales process contemplated by the Bidding Procedures applies to the assets subject to all three Stalking Horse Agreements.

19. As detailed below, the three Stalking Horse Agreements together contemplate the purchase of a significant portion of the Aralez Entities' assets, including a significant portion of the CCAA Entities' assets. The Stalking Horse Agreements will serve to set the floor, or minimum acceptable bid, for the Sales Process to follow, which is designed to achieve the highest or otherwise best offer for the assets of the Aralez Entities. The Aralez Entities believe that the Stalking Horse Agreements, including the Canadian Stalking Horse Agreement, set a competitive starting point for the sale process contemplated by the Bidding Procedures and present the best option for maximizing value for the Aralez Entities' stakeholders.

***The Canadian Stalking Horse Agreement*[2]**

20. API, Aralez Canada and Nuvo Pharmaceuticals Inc. (the "**Canadian Purchaser**") entered into an agreement (the "**Canadian Stalking Horse Agreement**") dated September 18, 2018, pursuant to which the Canadian Purchaser will purchase all of the shares of Aralez Canada (the "**Canadian Assets**"), which are held by API, for the purchase price of $62,500,000 (as described more particularly below), subject to higher or otherwise better offers and the approval of the Canadian Court. A copy of the Canadian Stalking Horse Agreement is attached hereto as **Exhibit "D"**.

21. A summary of the material terms of the Canadian Stalking Horse Agreement include:

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[2] Capitalized terms used but not defined herein have the meaning attributed to them in the Canadian Stalking Horse Agreement.

(a) **Purchased Shares**: the Canadian Purchaser will purchase all of the issued and outstanding shares in the capital of Aralez Canada, which are held by API, free and clear of all Liens except Permitted Liens (recitals, section 2.1).

(b) **Consideration**: an amount equal to $62,500,000 (the "**Purchase Price**"), subject to a working capital adjustment, and on a cash-free, debt-free basis (sections 3.1, 3.2, 3.4).

(c) **Deposit**: $2,500,000 (recitals, section 6.17).

(d) **Termination Fee**: $2,187,500, representing 3.5% of the Purchase Price (section 9.3(1)(a)).

(e) **Expense Reimbursement**: all reasonable out-of-pocket expenses up to $575,000, provided that in the event the Canadian Stalking Horse Agreement is terminated due to the failure to obtain a certain Required Consent (as defined below), the total Expense Reimbursement shall be increased by $1,000,000 (section 9.3(1)(b)), but in such circumstances no Termination Fee is payable.

(f) **Court Approval**: The sale of the Canadian Assets is subject to approval by the Canadian Court and that approval must be substantially in the form negotiated and must also be accompanied by an order terminating the CCAA Proceedings as they relate to Aralez Canada substantially in the form negotiated (section 6.11).

(g) **Commitment Letter**: The Canadian Purchaser has obtained a commitment letter from Deerfield Management Company, L.P. and certain affiliates thereof pursuant to which these lenders have agreed to make loans to the Canadian Purchaser to enable the Canadian Purchaser to fund the Purchase Price (section 6.14, Exhibit B).

(h) **Required Consents**: It is a condition to closing that certain Required Consents be obtained or that the Canadian Court shall have granted relief relating to those Required Consents as the Canadian Purchaser considers necessary (section 6.3, 7.1 (c)).

(i) **Conduct relating to tax attributes**: API and Aralez Canada will not take any action in connection with the CCAA Proceedings or the Pre-Closing Reorganization (other than an action taken in the Ordinary Course or in accordance with the Bidding Procedures Order or the Approval Order) that would give rise, or might reasonably be expected to give rise, to a material Tax liability of Aralez Canada or a material reduction in the Tax attributes of Aralez Canada or its assets, without the prior written consent of the Canadian Purchaser, acting reasonably. Capital losses which expire in accordance with applicable law upon the consummation of the transactions contemplated in the agreement are excluded from this prohibition (section 6.5).

(j) **Conditional on the Vimovo Stalking Horse Agreement**: The proposed sale is conditional upon the satisfaction or waiver of certain conditions in the Vimovo Stalking Horse Agreement, and in the event the Vimovo Stalking Horse Agreement is terminated, the Canadian Purchaser may terminate the Canadian Stalking Horse Agreement (section 7.1(h), 7.2(g), 9.1(g)).

(k) **Claims Process**: The CCAA Entities shall bring a claims process for the determination of claims against those entities and their directors and officers, which process shall have a claims bar date that is before the Closing Date (section 6.20).

(l) **Non-solicitation of bids**: The CCAA Entities shall not solicit bids for an Alternative Transaction or respond to any inquiries regarding same until the Bidding Procedures Order is entered (section 6.13).

22. The Canadian Stalking Horse Agreement provides for bid protections in favour of the Canadian Purchaser, being the Expense Reimbursement and the Termination Fee (together, the "**Bid Protections**"). The total potential amount of the Bid Protections represents 4.3% of the Purchase Price. Bid Protections are payable where the Canadian Stalking Horse Agreement is terminated upon the occurrence of certain events, including if an Alternative Transaction is approved, the Canadian Purchaser is not the Successful Bidder at an Auction held pursuant to the Bidding Procedures and is not required to serve as the Back-Up Bidder, the bid protections under the Vimovo Stalking Horse Agreement become payable, or if certain milestones are not met. The Canadian Stalking Horse Agreement contemplates that the CCAA Entities will seek a priority charge in respect of the Bid Protections, which is detailed in section III(A) of this affidavit.

23. The Bid Protections were the subject of extensive arm's length negotiations between the Canadian Purchaser and the CCAA Entities. The CCAA Entities have been advised by Moelis that the amount of the Bid Protections is not unreasonable in CCAA proceedings. Based on the negotiations and the value provided by the Canadian Stalking Horse Agreement, the Aralez Entities, in their business judgement, believe the Bid Protections, including the requested priority charge, are reasonable in the circumstances and were necessary for the Canadian Purchaser to agree to the Canadian Stalking Horse Agreement.

The Vimovo Stalking Horse Agreement[3]

24. On September 18, 2018, Pozen, Aralez DAC and Nuvo Pharmaceuticals (Ireland) Limited (the "**Vimovo Purchaser**"), an affiliate of the Canadian Purchaser, entered into an agreement (the "**Vimovo Stalking Horse Agreement**") for the purchase of, among other things, the Vimovo royalties (the "**Vimovo Assets**"), for the purchase price of $47,500,000 (as more particularly described below), free and clear of all liens, claims and Encumbrances other than Assumed Liabilities and Permitted Encumbrances, subject to higher or otherwise better offers and the approval of the U.S. Court. A copy of the Vimovo Stalking Horse Agreement is attached hereto as **Exhibit "E"**.

25. The Vimovo royalties relate to royalties collected by Pozen for the pain-management drug product Vimovo, developed by Pozen in collaboration with AstraZeneca AB ("**AstraZeneca**"). AstraZeneca has the rights to commercialize Vimovo outside of the U.S. The rights to sell the product in the U.S. were subsequently acquired by Horizon Pharma USA, Inc. ("**Horizon**"). Pozen receives a 10% royalty on net sales of Vimovo sold in the U.S. from Horizon, subject to guaranteed annual minimum royalty payments of $7.5 million, and a 10% royalty from AstraZeneca for sales outside of the U.S. and Japan.

26. A summary of the material terms of the Vimovo Stalking Horse Agreement include:

(a) **Purchased Assets**: Primarily, Pozen's right to receive Vimovo-related royalties and Treximet-related royalties, consisting of all rights, title and interests of Pozen or its Affiliates in and to all rights, property and assets of every kind and description and wheresoever situated, owned, leased, licensed, used or held for use in or relating to the Product Business.

(b) **Consideration**: an amount equal to $47,500,000, less Cure Amounts paid or payable by the Vimovo Purchaser.

(c) **Termination and Expense Reimbursement Fees**: $1,662,500 and $425,000, respectively.

(d) **Obligation to assume the Genus Amendment**: as described below, the Vimovo Purchaser has agreed to affirmatively assume the Genus APA, the Genus Amendment and related obligations, subject to approval by the U.S. Court.

(e) **Court Approval**: The sale of the Purchased Assets pursuant to the Vimovo Stalking Horse Agreement is subject to approval by the U.S. Court.

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[3] Capitalized terms used but not defined herein have the meaning attributed to them in the Vimovo Stalking Horse Agreement.

(f) **Conditional on the Canadian Stalking Horse Agreement**: The proposed sale is conditional upon the satisfaction or waiver of certain conditions in the Canadian Stalking Horse Agreement.

Genus Amendment

27. On July 10, 2018, API entered into (and simultaneously closed the transactions contemplated by) a purchase agreement (the "**Genus APA**") with Genus Lifesciences, Inc. ("**Genus**"), pursuant to which API and certain of the Chapter 11 Entities transferred or licensed certain assets relating to the pharmaceutical product sold under the brand name Yosprala in the United States to Genus.

28. To correct certain provisions of the Genus APA, API, Pozen and Genus (together, the "**Yosprala Parties**"), have entered into an amendment to the Genus APA dated September 17, 2018 (the "**Genus Amendment**"). A copy of the Genus Amendment is attached hereto as **Exhibit "F"**. Under the original Genus APA, certain patents (the "**Specified Patents**") were erroneously identified as "Purchased Patents" when they should have been licensed to Genus. Further, due to a scrivener's error, another patent (the "**907 Patent**") was erroneously identified as a patent to be licensed by API to Genus, but should have been identified as a patent to be licensed by Pozen to Genus. The Genus Amendment, subject to court approval of API's entry into and performance under the Genus Amendment, shall:

(a) document that the assignment of the Specified Patents to Genus (the "**Void Assignment**") is ineffective and void *ab initio*;

(b) provide that the Specified Patents are exclusively licensed to Genus pursuant to the terms set forth in the Genus Amendment;

(c) clarify that Pozen is the licensor of the 907 Patent to Genus;

(d) permit Pozen to file a declaration with the United States Patent and Trademark Office (the "**USPTO Declaration**") to correct the ownership record to reflect that Pozen has been, was at all times, and continues to be, the true and correct owner of the entire right, title and interest in and to the Specified Patents, and that the Void Assignment should not be deemed to have altered the chain of title of the Specified Patents; and

(e) if a court or other governmental body of competent jurisdiction were to find that the Void Assignment was not void *ab initio*, and that the Specified Patents were validly assigned to Genus, Genus assigns the Specified Patents to Pozen as of the date of the Genus Amendment (with the license rights granted to Genus in the Specified Patents effective simultaneously with such assignment).

29. The Genus Amendment requires API and Pozen to ensure that they will not propose or effectuate any sale of the Specified Patents, and certain related patents, or substantially all of their respective estates on terms that do not assign the Genus Amendment and certain other licenses granted under the Genus APA. In addition, pursuant to the Genus Amendment, the Yosprala Parties have agreed that the Bid Procedures must require that the Vimovo Purchaser or any other Successful Bidder affirmatively assume such obligations.

30. The clarifications set forth in the Genus Amendment, together with the USPTO Declaration, will permit Pozen to continue to have clear and valid title to the Specified Patents and, accordingly, to properly include those patents in the Purchased Assets under the Vimovo Stalking Horse Agreement (or a Successful Bidder's asset purchase agreement). Moreover, the reflection of the proper licensor of the 907 Patent will allow Genus' license thereunder to properly run with the 907 Patent when it is assigned to the Vimovo Purchaser under the Vimovo Stalking Horse Agreement (or a Successful Bidder's asset purchase agreement).

31. Contemporaneously with Pozen and API's execution of the Genus Amendment, the Aralez Entities understand that Genus, Deerfield Private Design Fund III, L.P. and Deerfield Partners L.P. (the Deerfield entities being the Aralez Entities' pre-filing secured lenders, the "**Secured Lenders**"), also entered into a separate letter agreement pursuant to which the Secured Lenders agreed to incur certain obligations to Genus in connection with the execution of the Genus Amendment. None of the Aralez Entities is a party to that letter agreement, nor does the letter agreement impose any obligations on the Aralez Entities.

32. The Genus Amendment requires that API seek approval of the Genus Amendment, the assumption of the Genus APA as amended, the assumption of the licences granted under the Genus APA, and approval of such obligations required to give effect to the Genus APA from the Canadian Court.

33. The Chapter 11 Entities are simultaneously seeking approval of the Genus Amendment, the assumption of the Genus APA, as amended, and the assumption of the licenses granted thereunder in the Chapter 11 Proceedings.

The Toprol Stalking Horse Agreement[4]

34. On September 18, 2018, Aralez DAC (together with API, Aralez Canada and Pozen, the "**Sellers**") entered into an agreement (the "**Toprol Stalking Horse Agreement**" and, together with the Canadian Stalking Horse Agreement and the Vimovo Stalking Horse Agreement, the "**Stalking Horse Agreements**") with Toprol Acquisition LLC (the "**Toprol Purchaser**" and, together with the Canadian Purchaser and the Vimovo Purchaser, the "**Stalking Horse Purchasers**"), which contemplates a credit bid of $130,000,000 for the Toprol-XL Franchise assets (the "**Toprol Assets**" and, together with the Canadian Assets and the Vimovo Assets, the "**Purchased Assets**"), free and clear of all liens, claims and Encumbrances other than Assumed Liabilities and Permitted Encumbrances, subject to higher or otherwise better offers and the approval of the U.S. Court. The Toprol Purchaser is an affiliate of the DIP Agent and the pre-filing secured lenders of the Aralez Entities.

35. Toprol-XL is part of a family of medications known as beta-blockers, which are used to treat high blood pressure among other cardiovascular conditions. In October 2016, Aralez DAC acquired the U.S. rights to Toprol-XL (as well as an authorized generic version) from AstraZeneca pursuant to an asset purchase agreement. Aralez U.S. distributes the Toprol-XL branded-drug product in the U.S. pursuant to a distribution agreement with Aralez DAC. Lannet Company Inc. currently distributes the authorized generic version of Toprol-XL pursuant to a November 2017 supply agreement.

36. As noted above, none of the CCAA Entities are parties to the Toprol Stalking Horse Agreement. Further, there is no cross-conditionality as between the assets subject to the Toprol Stalking Horse Agreement and the Canadian Stalking Horse Agreement. As such, the material terms of the Toprol Stalking Horse Agreement are not summarized in this affidavit, although a copy is attached hereto as **Exhibit "G"**.

[4] Capitalized terms used but not defined herein have the meaning attributed to them in the Toprol Stalking Horse Agreement.

C. The Bidding Procedures[5]

37. The Bidding Procedures, which were the subject of extensive arm's length negotiations between the Stalking Horse Purchasers and the Aralez Entities, with assistance from the Aralez Entities' advisors, and the oversight of the Monitor, provide a fair, efficient and orderly process to canvass the market for higher or better offers. The Bidding Procedures and the Stalking Horse Agreements are designed to encourage as many bidders as possible to put forth their best offers, thus increasing the possibility that the Aralez Entities' assets will be sold for the highest or best purchase price possible. A copy of the Bidding Procedures is attached hereto as **Exhibit "H"**.

38. The CCAA Entities and the Chapter 11 Entities intend to conduct the bidding and auction process in a coordinated fashion, with the same Bidding Procedures and timelines, in an effort to maximize value, maintain flexibility, and reduce cost for the Aralez Entities overall. As part of maintaining flexibility, the Bidding Procedures permit parties to bid for a combination of the Purchased Assets, including the ability for parties to purchase the assets of Aralez Canada rather than the shares of Aralez Canada as structured in the Canadian Stalking Horse Agreement. Approval of the Bidding Procedures is being sought in the U.S. Court on October 10, 2018.

39. An official committee of unsecured creditors has been appointed in the Chapter 11 Proceedings and has requested various amendments to the Bidding Procedures. The Aralez Entities are coordinating in respect of these requested changes and I understand that, if any changes are made to the Bidding Procedures, updated copies will be provided to the Canadian Court prior to the hearing of the motion.

40. The Bidding Procedures describe, among other things, the procedures for parties to access due diligence, the manner in which bids become "qualified", the procedures for receipt and negotiation of bids received, the conduct of any auction, the selection and approval of any ultimately successful bidders, and related deadlines.

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[5] 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.

Sale Timeline

41. The key dates under the Bidding Procedures are as follows:

Proposed Sale Timeline	
Bid Deadline	November 19, 2018 at 5:00 p.m. ET
Deadline to Notify Qualified Bidders	November 21, 2018 at 5:00 p.m. ET
Auction (if required)	November 27, 2018 at 11:00 a.m. ET
Notice of Successful Bidders	November 28, 2018 at 5:00 p.m. ET
Sale Hearing	November 29, 2018 at 11:00 a.m. ET in the U.S. Court The earliest date available after November 29, 2018 in the Canadian Court

42. Completion of the Sales Process in a timely manner will maximize the value of assets. The time periods set forth in the Bidding Procedures were negotiated between the Stalking Horse Purchasers and the Aralez Entities, and completing the Sales Process and closing the sales in an expedited manner is the best means of maximizing the value of the Aralez Entities' assets. In addition, the proposed time periods set forth herein are within the milestones included in the terms of the DIP Agreement, as amended.

Key Features of the Bidding Procedures

43. Certain of the key terms of the Bidding Procedures are highlighted below:

(a) **Diligence**: The Sellers will afford any Potential Bidder that signs a confidentiality agreement 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 judgement. The due diligence period shall end on the Bid Deadline;

(b) **Consultation Parties**: The "**Consultation Parties**" consist of the Monitor and its counsel, with respect to the Canadian Assets and the Vimovo Assets, or any other assets proposed to be purchased that are conditioned on the purchase of the Canadian Assets; and proposed counsel to the Official Committee of Unsecured Creditors appointed in the Chapter 11 Proceedings with respect to the Toprol Assets and the Vimovo Assets;[6]

(c) **Notice Parties**: Potential Bidders must deliver copies of their bids to the Notice Parties, being counsel to the CCAA Entities, counsel to Deerfield, and the monitor and its counsel with respect to the Canadian Assets; and counsel to the

[6] The DIP Agent, while also a Consultation Party, is not required to be consulted as it is an affiliate of the Toprol Purchaser and the financing source of the Canadian Purchaser and the Vimovo Purchaser.

Chapter 11 Entities, counsel to Deerfield, and proposed counsel to the Official Committee of Unsecured Creditors with respect to the Toprol Assets and/or the Vimovo Assets;

(d) **Qualified Bidder**: 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**":

(i) it discloses whether the bid is for some or all of each of the Toprol Assets, the Vimovo Assets, and/or the Canadian Assets (which for the purposes of the Bidding Procedures, includes the opportunity to submit a bid for the assets of Aralez Canada rather than the share purchase structure set by the Canadian Stalking Horse Agreement);

(ii) 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;

(iii) it states that the applicable Qualified Bidder offers to purchase, in cash, some or all of each of the Toprol Assets, the Vimovo Assets and/or the Canadian Assets upon terms and conditions that the applicable Seller(s) reasonably determines 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 is no less favorable to the Seller(s) than the terms and conditions of the Stalking Horse Agreement(s));

(iv) it includes a commitment to close the transactions within the timeframe contemplated by the applicable Stalking Horse Agreement;

(v) it confirms 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;

(vi) it shall be accompanied by deposit equal to 4% of the purchase price;

(vii) it includes a duly authorized and executed copy of an asset purchase agreement, including the purchase price for the Toprol Assets, the Vimovo Assets, and/or the Canadian Assets expressed in United States Dollars, with copies marked to show any amendments and modifications to the applicable Stalking Horse Agreement(s);

(viii) 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 Termination Fee of $2,187,500, (ii) the Expense Reimbursement (not to exceed $575,000), plus (iii) $500,000; and

(ix) it is received by the applicable Notice Parties on or prior to the Bid Deadline;

(e) **Notification to Qualified Bidders**: The Sellers shall promptly notify each Qualified Bidder in writing as to whether or not their bid constitutes a Qualified Bid;

(f) **Auction, Auction Procedures, and Overbids**: If one or more Qualified Bids is received with respect to any of the Toprol Assets, Vimovo Assets, and/or Canadian Assets in addition to the applicable Stalking Horse Bid, the applicable Seller will conduct (an) auction(s) (the "**Auction**") of the applicable Purchased Assets at 11:00 a.m. (prevailing Eastern Time) on November 27, 2018, at the offices of Willkie Farr & Gallagher LLP 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 procedures set out in the Bidding Procedures, including the following:

(i) only the Sellers, the Notice Parties, 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);

(ii) 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;

(iii) no later than one (1) business day prior to the start of the Auction, the Sellers will provide copies of the Qualified Bid or Qualified Bids which the applicable Seller believes, in its discretion, is the highest or otherwise best offer for the Toprol Assets, the Vimovo Assets and the Canadian Assets (collectively, the "**Starting Bids**" and each a "**Starting Bid**") to the Stalking Horse Purchasers and all other Qualified Bidders;

(iv) 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 (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;

(v) With respect to Qualified Bids that bid on two or more of any of the Toprol Assets, the Vimovo Assets and the Canadian Assets, the applicable Sellers 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, as applicable;

(vi) The Auction may be adjourned as the Sellers, in consultation with the Consultation Parties, deem appropriate; and

(vii) **Alteration of Procedures**: Without prejudice to the rights of the Stalking Horse Purchasers under the terms of the Stalking Horse Agreements and the Bidding Procedures Order, the Sellers may modify the rules, procedures and deadlines set forth herein, or adopt new rules, procedures and deadlines that, in their reasonable discretion, will better promote the goals of these procedures (namely, to maximize value for the estates); provided, however, that 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.

44. The Sales Process is designed to achieve the highest value available or otherwise best offer for the Aralez Entities' properties, and approval of the Bidding Procedures will allow the Aralez Entities to commence the Sales Process and efficiently implement a sale of certain of the Aralez Entities' assets.

45. The Applicants and their professional advisors believe the Sales Process and the time periods set forth in the Bidding Procedures are reasonable under the circumstances and provide parties with sufficient time and information necessary to formulate a bid to purchase the subject assets. The Bidding Procedures balance the need for adequate and appropriate notice to parties in interest and to potential purchasers with the need to sell the assets while they have meaningful realizable value.

D. The Bid Protections Charge

46. The successful restructuring of the Aralez Entities requires the involvement of the Canadian Purchaser as a stalking horse bidder. Following intensive negotiations with the Canadian Purchaser, the CCAA Entities have agreed to provide the Canadian Purchaser with the Bid Protections Charge on the Property of the CCAA Entities as security for payment of the termination fee and expense reimbursement, subject to approval of the Canadian Court.

47. Due to the important role of the Canadian Purchaser in the sales process, I believe that it is in the best interests of the Applicants and their stakeholders to approve the Bid Protections Charge.

48. As provided for in the Canadian Stalking Horse Agreement, the proposed Bid Protections Charge will rank in priority to all other Encumbrances and Charges (as those terms are defined in the Initial Order) other than the Administration Charge and the DIP Lenders' Charge, each as defined in the Initial Order.

III. THE CLAIMS PROCEDURE[7]

A. Need for a Claims Process

49. It is a provision of the Canadian Stalking Horse Agreement that the Applicants bring a motion "pursuant to which all claims against [the CCAA Entities] and their respective directors and officers shall be solicited and determined..." The claims process contemplated in the Canadian Stalking Horse Agreement must have a claims bar date that is before the Closing Date (being 16 days following the day on which the last of the closing conditions in the Canadian Stalking Horse Agreement are satisfied or waived, other than those conditions which by their nature can only be satisfied as of the Closing Date).

50. As the Sales Process contemplated under the Bidding Procedures is designed to operate within an expeditious timeframe, the Applicants are seeking approval of the Claims Procedure Order at this time to ensure that claimants have as much time as possible to submit their claims with respect to the CCAA Entities and their Directors and Officers (as those terms are defined in the Claims Procedure Order).

51. The Applicants have developed the proposed solicitation of claims and claims bar dates with input from their counsel and financial advisor, the Monitor and its counsel, the Chapter 11 Entities and their counsel, the DIP Agent and its counsel, and the Canadian Purchaser. I understand that the Chapter 11 Entities intend to seek approval of a claims bar date in the U.S. Court, including a general claims bar date that will provide creditors at least thirty-five (35) days' notice to file a proof of claim against the Chapter 11 Entities.

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[7] Capitalized terms used in this section but not otherwise defined shall have the meaning attributed to them in the Claims Procedure Order.

D&O Claims Process

52. Pursuant to the Initial Order, the Applicants indemnified their Directors and Officers against certain obligations and liabilities, secured by a charge in the amount of up to $1 million (the "**D&O Charge**"). It is necessary to understand the scope and nature of any potential claims against the Directors and Officers in order to be able to identify and address any claims that may be secured by the D&O Charge and to discharge the D&O Charge in connection with any plan or sale. Therefore, the Applicants are seeking to solicit any such Claims now.

B. Proposed Claims Procedure

53. The Claims Procedure Order has been designed so that the Applicants, the Monitor and the Court can obtain a clear picture of the universe of claims that the Applicants may have to contend with in the context of their CCAA Proceedings.

Claims and Excluded Claims

54. The proposed Claims Procedure Order contemplates the identification and final determination of all "**Claims**". Claims are defined to mean "D&O Claims, Pre-filing Claims and Restructuring Claims, provided that 'Claims' shall not include Excluded Claims", where:

> "**D&O Claim**" means any existing or future right or claim of any Person against one or more of the Directors and/or Officers of the Applicants which arose or arises as a result of such Director's or Officer's position, supervision, management or involvement as a Director or Officer of the Applicants, whether such right, or the circumstances giving rise to it arose before or after the Initial Order up to and including the date of this Claims Procedure Order and whether enforceable in any civil, administrative or criminal proceeding (each a "**D&O Claim**", and collectively the "**D&O Claims**"), including any right:
>
> (a) in respect of which a Director or Officer may be liable in his or her capacity as such concerning employee entitlements to wages or other debts for services rendered to the Applicants or any one of them or for vacation pay, pension contributions, benefits or other amounts related to employment or pension plan rights or benefits or for taxes owing by the Applicants or amounts which were required by law to be withheld by the Applicants;
>
> (b) in respect of which a Director or Officer may be liable in his or her capacity as such as a result of any act, omission, or breach of a duty; or
>
> (c) that is or is related to a penalty, fine or claim for damages or costs;

...

"**Pre-filing Claim**" means any right or claim of any Person against any of the Applicants, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind of any of the Applicants in existence on the Filing Date, whether or not such right or claim is reduced to judgement, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, unknown, by guarantee, by surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any Assessment and any right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation is based in whole or in part on facts that existed prior to the Filing Date and any other claims that would have been claims provable in bankruptcy had such Applicants become bankrupt on the Filing Date, including for greater certainty any Equity Claim; any costs, damages, or other obligations arising from litigation or legal proceedings; any unpaid employee wages or salaries; any inter-company debts or obligations owing to affiliated entities; and any claim against the Applicants for indemnification by any Director or Officer in respect of a D&O Claim (but excluding any such claim for indemnification that is covered by the Directors' Charge (as defined in the Initial Order)), in each case, where such monies remain unpaid as of the date hereof (each, a "**Pre-filing Claim**", and collectively, the "**Pre-filing Claims**");

...

"**Restructuring Claim**" means any existing or future right or claim by any Person against any of the Applicants in connection with any indebtedness, liability or obligation of any kind whatsoever owed by the Applicants to such Person arising out of the restructuring, disclaimer, resiliation, termination or breach by the Applicants on or after the Filing Date of any contract, lease or other agreement or arrangement whether written or oral (each, a "**Restructuring Claim**", and collectively, the "**Restructuring Claims**");

Excluded Claims are carved out from the definition of Claims and are defined as:

"**Excluded Claims**" means:

(a) Claims secured by any of the Charges (as that term is defined in the Initial Order or any subsequent or amended orders of the Court);

(b) Claims enumerated in sections 5.1(2) and 19(2) of the CCAA; and

(c) Pre-filing secured debt in favour of Deerfield owed by the Applicants;

Notice and Claims Bar Dates

55. The proposed Claims Procedure Order contemplates that the Monitor will:

(a) Cause notice of the Claims Procedure Order to be published in The Globe and Mail (National Edition);

(b) Post a copy of the Claims Procedure Order and the Claims Package on the Monitor's website;

(c) send a Claims Package to each Known Creditor within three (3) Business Days of the date of the Claims Procedure Order; and

(d) send a Claims Package in respect of Restructuring Claims arising from the restructuring, disclaimer, resiliation, termination or breach of any lease, contract, or other agreement or obligation, on or after the date of this Claims Procedure Order no later than five (5) Business Days following the date of the restructuring, disclaimer, resiliation, termination or breach of any lease, contract, or other agreement or obligation.

56. Upon request by a Claimant for a Claims Package or documents or information relating to the Claims Procedure Order prior to the Claims Bar Date, the Monitor will send a Claims Package, direct such Person to the documents posted on the Monitor's Website, or otherwise respond to the request for information or documents as the Monitor considers appropriate in the circumstances.

57. The Claims Package will include materials advising Claimants of the solicitation of claims and the claims bar date, and instructing Claimants on the process for submitting a form evidencing their claim (the "**Proof of Claim**"), and advise of the proposed Claims Bar Date.

58. Any Person that wishes to assert Restructuring Claims must submit a Proof of Claim evidencing such claim, and deliver that Proof of Claim to the Monitor, so that it is actually received by the Monitor no later than 5:00 p.m. Eastern Time (Toronto) on the Claims Bar Date.

59. The proposed Claims Bar Date means, with respect to Pre-filing Claims and D&O Claims, 5:00 p.m. Eastern Time (Toronto) on November 29, 2018, which is 50 days from the hearing of the claims procedure approval motion. The proposed Claims Bar Date with respect to Restructuring Claims means the later of (i) the Claims Bar Date for Pre-filing Claims and

D&O Claims (that being November 29, 2018) and (ii) the date that is 10 Business Days after the Monitor sends a Claims Package in accordance with the Claims Procedure Order.

60. Any Person that does not file a Proof of Claim in respect of a Claim in the manner required by the Claims Procedure Order such that it is actually received by the Monitor on or before the Claims Bar Date or such other date as may be ordered by the Court shall, among other things, not be entitled to receive any distribution in respect of such Claim pursuant to a Plan or otherwise, and shall be forever barred from making or enforcing such Claim against the Applicants, or the Directors or Officers or any of them, and such Claim shall be extinguished without any further act or notification.

61. The Applicants believe that the Claims Bar Date provides a reasonable and sufficient amount of time for Claimants to file Proofs of Claim.

Proving Claims

62. Any Person wishing to submit a Pre-filing Claim, D&O Claim or Restructuring Claim must deliver to the Monitor on or before the Claims Bar Date a Proof of Claim including all relevant supporting documentation in respect of such Claim, in the manner set out in the Claims Procedure Order. The form of the Proof of Claim is contained at Schedule "C" to the Claims Procedure Order.

63. The Applicants, in consultation with the Monitor, are authorized under the proposed Claims Procedure Order to use reasonable discretion as to the adequacy of compliance with respect to the manner in which Claims are filed. Where they are satisfied that a Claim has been adequately proven, the Applicants, in consultation with the Monitor, may waive strict compliance with the requirements of the Claims Procedure Order as to the completion and execution of such forms.

Adjudication of Claims

64. The Applicants intend to return to Court to seek an order for the adjudication of Claims.

IV. STAY EXTENSION

65. Since the Initial Order, the Applicants have continued to act diligently and in good faith in respect of all matters relating to the CCAA Proceedings. To date, the Applicants and their advisors have been largely focused on maintaining operational stability of the CCAA Entities, finalizing the stalking horse bids, developing the Sales Process and Claims Procedure, communicating with employees and other stakeholders and addressing matters relating to the initiation of the CCAA Proceedings. In the coming months, the Applicants will be focused on operating the business and completing the sales process and claims procedure.

66. The Stay Period granted in the Initial Order had the effect of imposing a stay of proceedings until and including September 7, 2018 which is currently extended to and including November 14, 2018. The Applicants request an extension of the Stay Period to and including December 7, 2018, to provide stability to the CCAA Entities and allow the Sales Process and solicitation of Claims to conclude and to close the sale of the Canadian Assets.

67. Given the Aralez Entities' access to sufficient liquidity through use of the CCAA Entities' financing facility and expected receipts from operations during the proposed Stay Period (as advised by A&M in conjunction with the Aralez Entities), I have been advised that no creditor will suffer material prejudice as a result of the extension of the Stay Period. I have been advised that the Monitor expects to be filing a report demonstrating that the CCAA Entities will have sufficient funds to continue operating through the proposed Stay Period.

V. CONCLUSION

68. It is my belief that approval of the Bidding Procedures and Canadian Stalking Horse Agreement is an appropriate next step in the CCAA Proceedings and will provide a pathway for completing a restructuring transaction that will maximize value for stakeholders.

69. It is both necessary and appropriate for the Applicants to propose a process for the solicitation and barring of claims, and it is my belief that the Claims Procedure Order is a fair and reasonable method for calling for claims against the Applicants.

70. To promote the completion of the Sales Process and solicitation of claims, it is necessary that the Stay Period be extended to December 7, 2018.

SWORN BEFORE ME at the Town of Devon, State of Pennsylvania, on October 1, 2018.

Amanda Snyter

~~Commissioner for Taking Affidavits~~
Notary Public

Commonwealth of Pennsylvania - Notary Seal
AMANDA SNYTER, Notary Public
Montgomery County
My Commission Expires May 11, 2022
Commission Number 1330927

Adrian Adams

ADRIAN ADAMS

Commonwealth of Pennsylvania
County of CHESTER

EXHIBIT "B"

referred to in the Affidavit of

ADRIAN ADAMS

Sworn November 29, 2018

MICHAEL D. SERRATORE
~~Commissioner~~ for Taking Affidavits
NOTARY PUBLIC

COMMONWEALTH OF PENNSYLVANIA
NOTARIAL SEAL
Michael D. Serratore, Notary Public
Whitemarsh Twp., Montgomery County
My Commission Expires Dec. 21, 2019
MEMBER, PENNSYLVANIA ASSOCIATION OF NOTARIES

EXECUTION VERSION

NUVO PHARMACEUTICALS INC.

as the Purchaser

and

ARALEZ PHARMACEUTICALS INC.

as the Vendor

and

ARALEZ PHARMACEUTICALS CANADA INC.

as the Corporation

SHARE PURCHASE AGREEMENT

September 18, 2018

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SHARE PURCHASE AGREEMENT

Share Purchase Agreement dated September 18, 2018 among Nuvo Pharmaceuticals Inc. (the "**Purchaser**"), Aralez Pharmaceuticals Inc. (the "**Vendor**") and Aralez Pharmaceuticals Canada Inc. (the "**Corporation**").

WHEREAS, the Corporation owns and operates the Purchased Business;

AND WHEREAS, the Vendor and the Corporation will file with the Ontario Superior Court of Justice (Commercial List) (the "**CCAA Court**") an initial application for relief under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") (the proceedings commenced by such application, the "**CCAA Proceedings**");

AND WHEREAS, the Purchaser wishes to acquire all of the issued and outstanding shares in the capital of the Corporation (the "**Purchased Shares**") and the Vendor wishes to sell the Purchased Shares to the Purchaser;

AND WHEREAS, the Purchased Shares are assets of the Vendor which are to be sold and assumed pursuant to the Approval Order approving such sale pursuant to section 36 of the CCAA, free and clear of all Liens except Permitted Liens, all in the manner and subject to the terms and conditions set forth herein and in accordance with other applicable provisions of the CCAA;

AND WHEREAS, an Affiliate of the Purchaser, Nuvo Pharmaceuticals (Ireland) Limited ("**Nuvo Ireland**"), will enter into the U.S. Asset Purchase Agreement (as defined herein) simultaneously with the execution of this Agreement pursuant to which, among other things, Nuvo Ireland will agree to purchase certain assets of an Affiliate of the Vendor, Pozen Inc. ("**Pozen**"), and Pozen will agree to sell certain assets to Nuvo Ireland;

AND WHEREAS, in connection with the entry into this Agreement, the Purchaser shall use commercially reasonable efforts to cause, within five Business Days of the date hereof, an aggregate amount equal to $2,500,000 in cash to be deposited on its behalf as a "good faith deposit" (the "**Deposit**") by wire transfer of immediately available funds to the Escrow Agent, to be held in escrow in accordance with the terms of the escrow agreement (the "**Deposit Escrow Agreement**") entered into on the date hereof between and among the Purchaser, the Vendor and the Escrow Agent;

NOW, THEREFORE, in consideration of the foregoing, and the respective covenants, agreements, representations and warranties of the Parties contained herein and for other good and valuable consideration (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1
INTERPRETATION

Section 1.1 Defined Terms.

As used in this Agreement, the following terms have the following meanings:

"**Adjustment Amount**" means an amount (which may be a positive or negative number or nil) equal to nil plus (a) the amount, if any, by which the Closing Net Working Capital is greater than the Estimated Net Working Capital, minus (b) the amount, if any, by which the Closing Net Working Capital is less than the Estimated Net Working Capital, minus (c) the amount, if any, by which Closing Indebtedness is greater than Estimated Closing Indebtedness, plus (d) the amount, if any, by which Closing Indebtedness is less than Estimated Closing Indebtedness, plus (e) the amount, if any, by which Closing Net Cash is greater than the Estimated Closing Net Cash, minus (f) the amount, if any, by which the Estimated Closing Net Cash is greater than the Closing Net Cash, minus, (g) the Sales Tax Claim Amount. For greater certainty, any Sales Tax Claim Amount included in the Adjustment Amount must be actually paid by or on behalf of the Purchaser or the Corporation.

"**Affiliate**" when used to indicate a relationship with a specified Person, means a Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such specified Person and a Person shall be deemed to be controlled by another Person if controlled in any manner whatsoever that results in control in fact by that other Person (or that other Person and any Person or Persons with whom that other Person is acting jointly or in concert), whether directly or indirectly. For the purposes of this definition, "control", when used with respect to any specified Person, means the power to direct the management and policies of that Person directly or indirectly, whether through ownership of securities, by trust, by contract or otherwise; and the term "controlled" has a corresponding meaning; *provided that*, in any event, any Person that owns directly, indirectly or beneficially 50% or more of the securities having voting power for the election of directors or other governing body of a corporation or 50% or more of the partnership interests or other ownership interests of any other Person will be deemed to control that Person.

"**Agreement**" means this share purchase agreement, including all schedules and exhibits hereto, and all instruments supplementing, amending, modifying, restating or otherwise confirming this agreement.

"Allergan Payables" means the royalties and trade accounts payable by the Corporation in respect of the period immediately prior to the Effective Time relating to Bezalip and Soriatane pursuant to the Exclusive Distribution Agreement between the Corporation and Allergan Inc. dated January 1, 2018 and including any amounts under the previous distribution agreement.

"**Alternative Transaction**" means the sale, transfer, other disposition, refinancing, restructuring or reorganization, directly or indirectly, including through an asset sale, share sale, merger, amalgamation, foreclosure or other transaction, including a plan of

compromise and arrangement approved by the CCAA Court or a plan of arrangement or plan of reorganization approved by the CCAA Court or any other court of competent jurisdiction, or resulting from the Auction, of any material portion of the Assets, the Purchased Shares or the Purchased Business, in a single transaction or a series of transactions, with one or more Persons other than Purchaser.

"**Ancillary Agreements**" means all agreements, certificates and other instruments delivered, given or contemplated pursuant to this Agreement.

"**Annual Financials**" means the balance sheet and statement of income of Vendor for the fiscal year ending December 31, 2017 as set forth in Section 4.7 of the Disclosure Letter.

"**Applicable Securities Laws**" means, collectively, the applicable securities Laws of each of the provinces of Canada and the respective regulations and rules made under those securities Laws together with all applicable policy statements, instruments, notices, blanket orders and rulings of the Canadian Securities Administrators and the Securities Commissions.

"**Approval Order**" has the meaning set forth in Section 6.11(2).

"**Aralez Canada CCAA Termination Order**" has the meaning set forth in Section 6.11(2).

"**Aralez License Agreement**" has the meaning set forth in Section 6.21.

"**Aralez Trademark**" means the trademark with the application number 1759324 registered with the Canadian Intellectual Property Office.

"**Assets**" means all rights, property and assets, real and personal, tangible and intangible, of the Corporation of every nature and kind and wheresoever situate.

"**Auction**" means the auction contemplated to be run in the sales process.

"**Authorization**" means, with respect to any Person, any Order, permit, approval, consent, waiver, licence or similar authorization of any Governmental Entity having jurisdiction over the Person (including new drug applications, new drug submissions, investigational new drug applications, clinical trial applications, manufacturing approvals and authorizations, pricing and reimbursement approvals, labeling approvals, registration notifications or their foreign equivalent, including but not limited to Canadian notices of compliance, drug identification numbers, new drug submissions, abbreviated new drug submissions, supplemental new drug submissions, drug establishment license applications and licenses, medical device establishment, site license and investigational testing applications and resulting licenses).

"**Back-Up Bidder**" has the meaning set forth in Section 6.11(3).

"**BAR Financial Statements**" means the financial statement disclosure for a significant acquisition (as such term is defined in Part 8 of NI 51-102) required pursuant to Section

8.4 of NI 51-102, in accordance with written instructions (consistent with the requirements of Applicable Securities Laws) to be provided by the Purchaser or its counsel.

"**Bidding Procedures Order**" has the meaning set forth in Section 6.11(1).

"**Books and Records**" means all information in any form relating to the Corporation or the Purchased Business, including books of account, financial, accounting, sales and operations information and records, sales and purchase records, customer and supplier lists, lists of potential customers, referral sources, research and development reports and records, production reports and records, equipment logs, operating guides and manuals, business reports, plans and projections, marketing and advertising materials and all other documents, files, correspondence and other information (whether in written, printed, electronic or computer printout form, or stored on computer discs or other data and software storage and media devices and whether maintained by the Vendor, the Corporation or any third-party on behalf thereof).

"**Business Authorizations**" has the meaning specified in Section 4.17(2) of Exhibit "A".

"**Business Day**" means any day of the year, other than a Saturday, Sunday or any day on which chartered banks are closed for business in Toronto, Ontario or New York, New York.

"**Canada FDA**" means the *Food and Drugs Act*, R.S.C. 1985 c. F-27.

"**CCAA**" has the meaning set forth in the recitals.

"**CCAA Court**" has the meaning set forth in the recitals.

"**CCAA Proceedings**" has the meaning set forth in the recitals.

"**Chapter 11 Cases**" means the proceedings commenced by petition, following the execution and delivery of the U.S. Asset Purchase Agreement, by Pozen Inc. and certain of its Affiliates with the United States Bankruptcy Court for the Southern District of New York for relief under Chapter 11 of Title 11, §§ 101-1330 of the United States Code.

"**Claims Process**" has the meaning specified in Section 6.20.

"**Closing**" means the completion of the transaction of purchase and sale contemplated in this Agreement.

"**Closing Date**" means (a) the date that is sixteen (16) days following the day on which the last of the conditions of Closing set out in Article 7 (other than those conditions that by their nature can only be satisfied as of the Closing Date, but subject to the satisfaction of such conditions as of the Closing Date) has been satisfied or waived by the appropriate Party, or (b) such earlier or later date as the Parties may agree in writing provided that, for greater certainty, the Closing Date shall be the same as the date of the closing of the transactions contemplated by the U.S. Asset Purchase Agreement..

"**Closing Date Statement**" has the meaning set forth in Section 3.3(2).

"**Closing Indebtedness**" means the Corporation's aggregate Indebtedness as of immediately prior to the Effective Time and, for greater certainty, includes the Indebtedness set forth on Section 4.7(5) of the Disclosure Letter to the extent such Indebtedness is outstanding as of immediately prior to the Effective Time.

"Closing Inventory" means the book value, determined in accordance with U.S. GAAP, of (a) all finished Products located at the locations listed on Section 4.24 of the Disclosure Letter as at the Closing Date which (i) have been released by the Corporation for sale to the market in accordance with Corporation's ordinary business practices; and (ii) are saleable in the Ordinary Course; provided that notwithstanding and without limiting the foregoing, Stale Dated Inventory, as defined in Section 1.1 of the Disclosure Letter, shall be valued at nil for the purposes of the Closing Inventory and (b) any active pharmaceutical ingredients and work in process that are useable in the Ordinary Course.

"**Closing Net Cash**" means (a) all stated book balances (including deposits in transit) in the Corporation's bank accounts; and (b) all cash equivalents owned by the Corporation, in each case, as of immediately prior to the Effective Time, and converted to U.S. dollar amounts based on the closing foreign exchange rate as reported by the Bank of Canada on the date the certificate is delivered in accordance with Section 3.2(2) of this Agreement.

"**Closing Net Working Capital**" means Current Assets minus Current Liabilities as of immediately prior to the Effective Time, calculated in a manner consistent with Exhibit "E".

"**Closing Payment**" has the meaning set forth in Section 3.2.

"**Commercial List Model Initial Order**" means the form of initial order established by the Commercial List Users' Committee and contained at: http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/#Commercial_List_Forms_including_Model_Orders

"**Commitment Letter**" means the commitment letter between Deerfield and the Purchaser dated the date hereof under which Deerfield has agreed, subject to the terms and conditions set forth therein, to make the loans in the amounts set forth therein to the Purchaser in order to enable the Purchaser to fund the Purchase Price, a copy of which has been delivered by the Purchaser to the Vendor.

"**Confidentiality Agreement**" means the confidentiality agreement dated March 29, 2018 between the Purchaser and the Corporation.

"Contract" means any agreement, contract, obligation, lease, sublease, licence, sublicense, regulatory license, undertaking, engagement, sales order, purchase order, instrument or other legally binding commitment or arrangement of any nature, written or oral.

"**Corporation**" has the meaning specified in the preamble of this Agreement and, where the context permits, its predecessor entities.

"**Corporation Accounts Receivable**" means all trade accounts receivable of the Corporation, net of allowance for doubtful accounts, distribution service fees and cash discounts calculated in accordance with U.S. GAAP.

"**Corporation Financial Information**" means the information set forth in Section 4.7 of the Disclosure Letter.

"**Corporation Subsidiary**" means Tribute Pharmaceuticals International Inc., a corporation incorporated under the laws of Barbados.

"**Court Orders**" has the meaning set forth in Section 6.11(2).

"**Current Assets**" means (i) all Corporation Accounts Receivable, (ii) pre-paid expenses, deposits usable by the Corporation in the Ordinary Course and HST receivables of the Corporation, calculated in accordance with U.S. GAAP, and (iii) the Closing Inventory.

"**Current Liabilities**" means all current liabilities of the Corporation, including all accounts payable (excluding the Allergan Payables), trade payables, current Tax liabilities in respect of any Tax period ending on or prior to the Closing Date (excluding any Sales Tax Amount) and accrued expenses (including accruals for unpaid vacation pay, premiums for employment insurance, health premiums, Canada Pension Plan premiums, accrued wages, salaries, commissions and Employee Plan payments and including accrued professional fees relating to the CCAA Proceedings), determined in accordance with U.S. GAAP. Current Liabilities shall not, however, include any liabilities or obligations forming part of Indebtedness.

"**Debt Financing**" has the meaning set forth in Section 5.6 of Exhibit "B".

"**Deerfield**" means, collectively, investment funds managed by Deerfield Management Company, L.P. and certain affiliates thereof.

"**Deerfield Release Letter**" means a letter or other instrument addressed by Deerfield to the Purchaser and the Vendor irrevocably releasing and discharging at Closing all Liens charging or secured by any of the Purchased Shares or Assets of the Corporation and releasing all claims of Deerfield against the Purchased Shares, the Corporation and the Assets, other than Liens relating to the Debt Financing.

"**Deposit**" has the meaning set forth in the recitals.

"**Deposit Escrow Agreement**" has the meaning set forth in the recitals.

"**DIP Agreement**" means the senior secured super-priority debtor-in-possession credit agreement dated August 10, 2018 among the Corporation and the Vendor, as borrowers, Deerfield Management Company, L.P., as administrative agent and the lenders party thereto from time to time. Notwithstanding Section 1.9, for purposes hereof the DIP

Agreement shall mean the DIP Agreement as it existed as of August 10, 2018, without reference to any amendments made after such date.

"**DIP Lender**" means Deerfield.

"**Disclosure Letter**" means the disclosure letter dated the date of this Agreement and delivered by the Vendor to the Purchaser with this Agreement.

"**Dispute Notice**" has the meaning specified in Section 3.3(3).

"**Effective Time**" means 12:01 a.m. (Toronto time) on the Closing Date, or such later time as mutually agreed to by the Parties.

"**Employees**" means those individuals employed or engaged by the Corporation including all employees, dependent contractors and independent contractors.

"**Employee Plans**" means all the employee benefit, fringe benefit, supplemental unemployment benefit, deferred compensation, bonus, incentive, profit sharing, notice, termination, severance, change of control, pension, retirement, stock option, stock purchase, stock appreciation, phantom stock, health, welfare, medical, dental, disability, life insurance and similar plans, programs, arrangements or practices relating to current or former officers, directors, employees, consultants, independent contractors, or other service providers of the Corporation maintained, sponsored or funded by the Corporation, whether written or oral, funded or unfunded, insured or self-insured, registered or unregistered, other than government-sponsored employment insurance, workers' compensation, parental insurance, health insurance or pension plans.

"**Employment Contracts**" means each written employment Contract or retention Contract between the Corporation and an Employee, other than a collective agreement.

"**Environmental Claims**" means any claim, action, cause of action, suit, proceeding, investigation, Order, demand or notice (written or oral) by any person or entity alleging actual or potential liability (including, without limitation, actual or potential liability for investigatory costs, clean-up costs, governmental response costs, natural resources damages, property damages, personal injuries, attorneys' fees or penalties) arising out of, based on, resulting from or relating to the presence, or release or threatened release into the environment, of, or exposure to, any Hazardous Substances at any location, whether or not owned or operated by the Corporation or any of its subsidiaries, as applicable, now or in the past.

"**Environmental Laws**" means all applicable Laws, common law and agreements with Governmental Entities and all other statutory requirements relating to human health or the protection of the environment and all Authorizations issued pursuant to such Laws, agreements or statutory requirements.

"**Escrow Agent**" means Citibank, N.A., together with its permitted successors and assigns.

"**Estimated Closing Indebtedness**" means the Corporation's good faith estimate of the Closing Indebtedness, as set out in the certificate to be delivered pursuant to Section 3.2(2).

"**Estimated Closing Net Cash**" means the Corporation's good faith estimate of the Closing Net Cash, as set out in the certificate to be delivered pursuant to Section 3.2(2).

"**Estimated Closing Net Working Capital**" means the Corporation's good faith estimate of the Closing Net Working Capital, as set out in the certificate to be delivered pursuant to Section 3.2(2).

"**Existing Materials**" has the meaning specified in Section 6.21(b).

"**Expense Reimbursement**" shall mean the aggregate amount, which (subject to the proviso set out below) shall not exceed $575,000, of all reasonable out-of-pocket expenses (including all fees and expenses of counsel, accountants, investment banks, advisors, and consultants to the Purchaser or its Affiliates) incurred by the Purchaser prior to any termination of this Agreement in accordance with Article 9 relating to or in connection with (a) the purchase of the Purchased Shares, including the transactions contemplated by this Agreement and any Ancillary Agreements, (b) the negotiation, preparation, execution or performance of agreements relating to the purchase of the Purchased Shares, including this Agreement and Ancillary Agreements, (c) the negotiation, preparation, execution or performance of the financing contemplated by the Commitment Letter, (d) business, financial, legal, accounting, tax, and other due diligence relating to the Purchased Shares, (e) the CCAA Proceedings and (f) the diligence, analysis, negotiation, preparation, or execution of any contracts or arrangements with any current or prospective lessors, vendors, agents, or payees of the Corporation and the Purchased Business; provided that in the event that this Agreement is terminated in accordance with Section 9.1(f) as a result of the condition in Section 7.1(c) (other than with respect to the consent marked with an asterisk on Section 7.1(c) of the Disclosure Letter) not being satisfied as of the time of such termination, if on the date of termination all of the other conditions set forth in Article 7 have been satisfied or have been waived (other than those conditions that, by their nature, can only be satisfied as of the Closing Date, but which would be satisfied as of the Closing Date), the amount of the Expense Reimbursement shall be increased by $1,000,000 such that the aggregate amount of the Expense Reimbursement in such event shall be $1,575,000.

"**Exploit**" means to make, have made, import, export, use, have used, sell, offer for sale, have sold, commercialize, register, cause to be Manufactured, hold or keep (whether for disposal or otherwise), transport, treat, store, distribute, promote, market, or otherwise dispose of, but excludes to Manufacture, and "**Exploitation**" means actions taken to Exploit.

"**Final Order**" shall mean an Order or judgment of the CCAA Court issued and entered by the CCAA Court, or any other court of competent jurisdiction entered in the docket of such other court, which has not been modified, amended, reversed, vacated or stayed and as to which (a) the time to seek leave to appeal and appeal has expired and as to

which no leave to appeal or appeal shall then be pending or (b) if a leave to appeal or appeal thereof has been sought, such Order or judgment of the CCAA Court or other court of competent jurisdiction shall have been affirmed by the highest court to which leave to appeal was such or such order was appealed, and the time to take any further leave to appeal or appeal shall have expired, as a result of which such Order shall have become final in accordance the CCAA, or a similar rule of such other court of competent jurisdiction, it being agreed that the time period for seeking leave to appeal an Order of the CCAA Court shall be deemed to expire on the twenty-second day following issuance of such Order.

"**Generic Version**" means, with respect to any Product, any other pharmaceutical product that (a) references the Authorizations for such Product, or any supplements or amendments thereto, and (b) is sold under a different trade-mark than such Product or has no trade-mark.

"**Governmental Entity**" means (i) any governmental or public department, central bank, court, minister, governor-in-council, cabinet, commission, tribunal, board, bureau, agency, commissioner or instrumentality or other regulatory or administrative authority, whether international, multinational, national, federal, provincial, state, municipal, local, or other; (ii) any subdivision or authority of any of the above; (iii) any stock exchange; and (iv) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the above, which, for the avoidance of doubt, includes Health Canada, and any other federal, state, provincial, local or foreign Governmental Entity with jurisdiction over the authorization, approval, marketing, advertising, sale, pricing, storage, distribution, use, handling and control, safety, efficacy, reliability or manufacturing of pharmaceutical products, including, but not limited to, human drugs, biologics and drug combination products.

"**Harmful Code**" means any "back door," "drop dead device," "time bomb," "Trojan horse," "virus," or "worm" (as such terms are commonly understood in the software industry) or any other code designed or intended to have, or capable of performing, any of the following functions: (i) disrupting, disabling, harming, or otherwise impeding in any manner the operation of, or providing unauthorized access to, a computer system or network or other device on which such code is stored or installed; or (ii) damaging or destroying any data or file without the user's consent.

"Hazardous Substances" means any chemicals, pollutants, contaminants, wastes, toxic or hazardous substances, materials or wastes, petroleum and petroleum derivatives or products, or synthetic or alternate substitutes therefor, greenhouse gases, asbestos or asbestos-containing materials or products, polychlorinated biphenyls, hydrogen sulfide, arsenic, cadmium, mercury, lead or lead-based paints or materials, radon, fungus, mold, mycotoxins, urea-formaldehyde or other substances that may have an adverse effect on human health or the environment, and including any other substance that is prohibited, listed, defined, designated or classified as dangerous, hazardous, radioactive, corrosive, explosive, infectious, carcinogenic, mutation or toxic or a pollutant or a contaminant under or pursuant to, or that could result in liability under, any Law relating to

pollution, waste, human health or the environment, or may impair the environment, the health of any Person, property or plant or animal life.

"**Health Canada**" means the Department of Health, the Minister of Health in Canada and any successor agency having similar jurisdiction.

"**HST Legislation**" means Part IX of the *Excise Tax Act* (Canada).

"**HST**" means the goods and services tax or the harmonized sales tax (as the case may be) imposed under the HST Legislation (which, for greater certainty, includes the provincial component of any harmonized sales tax imposed under the HST Legislation).

"Indebtedness" of any Person means and includes (a) indebtedness for borrowed money or indebtedness issued or incurred in substitution or exchange for indebtedness for borrowed money, (b) amounts owing as deferred purchase price for property or services, including all seller notes and "earn-out" payments but excluding any milestone or similar payments relating to the operation of the Purchased Business following Closing (without duplication for any such amounts that form part of Current Liabilities in the Closing Net Working Capital), (c) accrued product royalties and similar liabilities with respect to Products sold prior to Closing, including any Allergan Payables, (d) indebtedness evidenced by any note, bond, debenture, mortgage or other debt instrument or financial debt security, (e) commitments or obligations by which such Person assures a creditor against loss (including contingent reimbursement obligations with respect to letters of credit), (f) indebtedness secured by a Lien on assets or properties of such Person, (g) obligations or commitments to repay deposits or other amounts advanced by and owing to third Persons, (h) obligations under any interest rate, currency or other hedging agreement, (i) obligations or commitments under leases (capital portion) treated as a capital lease in accordance with U.S. GAAP, (j) any change of control payments or prepayment premiums, penalties, charges or equivalents thereof with respect to any indebtedness, obligation, or liability of the type described in clauses (a) through (j) above, (k) guarantees or other contingent liabilities (including so called take-or-pay or keep-well agreements) with respect to any indebtedness, obligation, claim or liability of any other Person of a type described in clauses (a) through (j) above, (l) outstanding cheques and (m) any other obligations or liabilities set forth on Section 4.7(5) of the Disclosure Letter, in each case determined in accordance with U.S. GAAP.

"**Initial Order**" the initial order granted on August 10, 2018 in respect of the CCAA application of the Corporation and the Vendor, court file no CV-18-603054-00CL.

"**Intellectual Property**" means all intellectual property rights in any jurisdiction throughout the world, including (a) Patents; (b) copyrights, moral rights (or other similar rights), copyright registrations and applications for copyright registration; (c) mask works, mask work registrations and applications for mask work registrations; (d) designs, design registrations, design registration applications and integrated circuit topographies; (e) names, trade names, business names, corporate names, domain names, social media accounts, website names and world wide web addresses, common law trade-marks, trade-mark registrations, trade mark applications, unregistered trademarks, service marks, trade dress and logos, slogans, and other similar

designations of source or origin; (f) rights in computer programs (whether in source code, object code, or other form), algorithms, databases, compilations and data, technology supporting the foregoing, and all documentation, including user manuals and training materials, related to any of the foregoing; (g) trade secrets and all other confidential information, know-how, inventions, proprietary processes, formulae, models, and methodologies; (h) registrations and applications for any of the foregoing; and (i) any goodwill associated with any of the foregoing.

"Interim Financials" means the balance sheet and statement of income of the Vendor for the three (3) month period ended March 31, 2018, as set forth in Section 4.7 of the Disclosure Letter.

"**Interim Period**" means the period between the close of business on the date of this Agreement and the time of Closing.

"**Inventory**" means all inventory, including inventory of works in process, raw materials, packaging components and finished Products or bulk Products and testers, Products to be received under outstanding purchase orders, as well as all samples of finished Products.

"**IT Licenses**" means the licenses described on Section 6.19 of the Disclosure Letter.

"IT Systems" means the computer, information technology, and data processing systems, facilities and services used by the Corporation in the conduct of the Purchased Business, including all software, systems hardware, networks, interfaces, platforms and related systems and services.

"**Laws**" means any and all applicable (i) laws, constitutions, treaties, statutes, codes, ordinances, Orders, decrees, rules, regulations, by-laws, (ii) judgments, writs, injunctions, decisions, awards and directives of any Governmental Entity and (iii) policies, guidelines, notices and protocols, to the extent that they have the force of law.

"**Lien**" means any mortgage, charge, pledge, hypothec, security interest, assignment, lien (statutory or otherwise), easement, title retention agreement or arrangement, conditional sale, deemed or statutory trust, restrictive covenant or other encumbrance of any nature which, in substance, secures payment or performance of an obligation.

"**Litigation**" means any claim, action, arbitration, mediation, hearing, proceeding, suit (whether civil, criminal, administrative, or investigative or appellate proceeding), warning letter or notice of violation.

"**Manufacture**" and "**Manufacturing**" means all activities related to the production, manufacture, processing, filling, finishing, packaging, labeling, shipping and holding of a pharmaceutical product, or any intermediate, quality assurance and quality control testing thereof prior to the distribution of a pharmaceutical product.

"Material Adverse Effect" means any event, result, effect, occurrence, fact, circumstance, development, condition or change, or series of events, results, effects,

occurrences, facts, circumstances, developments, conditions or changes, that, when considered either individually or in the aggregate is material and adverse to the business, operations, assets, liabilities or condition (financial or otherwise) of the Purchased Business, taken as a whole; except to the extent that the material adverse effect results from or is caused by (i) general changes in Canadian or global economic, political or regulatory conditions, including war, armed hostilities, acts of terrorism and natural disasters (ii) general changes in the markets or industry in which the Purchased Business operates, (iii) a change in applicable Laws or the enforcement, implementation or interpretation thereof, except for judgements, awards or decrees that relate specifically to the Corporation, (iv) a change in accounting rules, including U.S. GAAP, (v) the Purchased Business' failure to meet internal or published projections, forecasts or revenue or earning predictions for any period, provided that the underlying causes of such failures (subject to the other provisions of this definition) shall not be excluded, (vi) any state of facts, condition, change, event, occurrence or development relating to or resulting from the products or product candidates of any Person (other than the Corporation or its Affiliates), including the entry into the market of products (including Generic Versions of the Products) competitive with any of the Products, (vii) the announcement of this Agreement and the U.S. Asset Purchase Agreement and the agreements and transactions contemplated hereby or thereby or the CCAA Proceedings, or the Chapter 11 Cases, including the impact of such announcement or pendency on the relationship of the Corporation with any supplier, distributor, customer, partners or similar relationship or any loss of employees resulting therefrom, or (viii) any act or omission of the Corporation prior to the Closing Date taken or not taken, as applicable, required by the terms of this Agreement with the prior consent of or at the request of the Purchaser; except, in the case of (i), (ii), (iii) and (iv), to the extent that any such event, result, effect, occurrence, fact, circumstance, development, condition or change affects the Corporation or the Purchased Business disproportionately compared to other participants in the specialty pharmaceutical industry.

"**Material Contracts**" has the meaning specified in Section 4.13 of Exhibit "A".

"**MFI**" means Medical Futures Inc., as a predecessor by amalgamation with the Corporation.

"**Monitor**" means Richter Advisory Group Inc., in its capacity as the CCAA Court-appointed Monitor in connection with the CCAA Proceedings and not in its personal or corporate capacity.

"**Monitor's Certificates**" means the certificates delivered to the Purchaser and filed with the CCAA Court by the Monitor certifying that the Monitor has received written confirmation in form and substance satisfactory to the Monitor from the Vendor and the Purchaser that all conditions to Closing have been satisfied or waived by the applicable Parties and that the termination of the CCAA Proceedings of the Corporation has occurred.

"**MT 400**" means any combination of Sumatriptan and Naproxen sodium as the only two active ingredients.

"**Naproxen**" means the chemical compound known as naproxen, whose more specific chemical name is (+)-2-(6-Methoxy-2-naphthyl) propionic acid, its prodrugs and metabolites, and all esters, salts, hydrates, solvates, polymorphs and isomers thereof.

"**Neutral Accountant**" has the meaning specified in Section 3.3(6).

"**NI 51-102**" means National Instrument 51-102 – *Continuous Disclosure Obligations.*

"**Notice Period**" has the meaning specified in Section 3.3(3).

"**Order**" means all judicial, arbitral, administrative, ministerial, departmental or regulatory judgments, injunctions, orders, decisions, rulings, determinations, awards, decrees or similar actions taken by, or applied by, any Governmental Entity (in each case, whether temporary, preliminary or permanent).

"**Ordinary Course**" means, with respect to an action taken by a Person, that such action is (i) consistent with the past practices of the Person., (ii) taken in the ordinary course of the normal day-to-day operations of the Person, and (iii) commercially reasonable.

"**Outside Date**" means date that is three (3) months following the date of this Agreement; provided that if all of the conditions of Closing set out in Article 7 (other than those conditions that, by their nature, can only be satisfied as of the Closing Date, but which would be satisfied as of the Closing Date) have been satisfied or waived on a date that is less than twenty (20) days prior to the Outside Date, the Outside Date shall automatically be extended by such number of Business Days necessary to provide the Purchaser with at least twenty (20) days between the satisfaction or waiver of such conditions and Closing.

"**Parties**" means the Vendor, the Corporation and the Purchaser, and any other Person who may become a party to this Agreement.

"**Patents**" means all patents, and patent applications, applications for reissues, or invention disclosures in any country or supranational jurisdiction, and any substitutions, divisions, continuations, continuations-in-part, reissues, renewals, registrations, confirmations, re-examinations, extensions, supplementary protection certificates and the like, and any provisional applications of any such patents or patent applications.

"**Permitted Liens**" means (i) Liens for Taxes not yet due and delinquent, (ii) easements, encroachments and other minor imperfections of title which do not, individually or in the aggregate, materially detract from the value of or impair the use or marketability of any real property, and (iii) Liens listed and described in Section 1.1 of the Disclosure Letter.

"**Person**" means an individual, partnership, limited partnership, limited liability partnership, corporation, limited liability company, unlimited liability company, joint stock company, trust, unincorporated association, joint venture or other entity or Governmental Entity, and pronouns have a similarly extended meaning.

"**Pre-Closing Reorganization**" has the meaning specified in Section 6.4.

"**Products**" means, collectively, the pharmaceutical products owned or licensed by the Corporation to which the Corporation has a contractual right to Exploit, for the development or commercialization, listed and described in Section 1.1 of the Disclosure Letter.

"**Public Statement**" has the meaning specified in Section 11.3.

"**Purchase Price**" has the meaning specified in Section 3.1.

"**Purchase Price Adjustment Escrow Amount**" means $1,000,000, which amount for greater certainty, will be funded by applying part of the Deposit at Closing and held by the Escrow Agreement pursuant to the terms of the Escrow Agreement.

"**Purchased Business**" means the specialty pharmaceutical company business carried on by the Corporation with a primary focus on the licensing, development and promotion of the Products.

"**Purchased Shares**" has the meaning specified in the recitals.

"**Purchaser**" has the meaning specified in the preamble to this Agreement.

"**Purchaser Disclosure Documents**" means, collectively, all of the documents which have been filed by or on behalf of the Purchaser in the 24 months prior to the date hereof with the relevant securities regulators pursuant to the requirements of securities Laws and filed on SEDAR at www.sedar.com.

"**Real Property Leases**" has the meaning specified in Section 4.12 of Exhibit "A".

"**Regulatory Guidelines**" means applicable rules, guidance, manuals, protocols, codes, guidelines, treaties, policies, notices, directions, decrees, judgements, awards or requirements, in each case, of any Governmental Entity, to the extent that the foregoing do not have the force of Law.

"**Related Party**" has the meaning specified in Section 4.27 of Exhibit "A".

"**Related Person**" has the meaning specified in Section 4.27 of Exhibit "A".

"Required Consents" means the consent listed on Section 7.1(c) of the Disclosure Letter.

"**Resolution Period**" has the meaning specified in Section 3.3(5).

"**Sales Tax Claim**" means any claim, assessment, action, cause of action, suit, proceeding, investigation, Order, demand or notice received in writing prior to the time at which the Closing Date Statement is finalized pursuant to Section 3.3 from a Governmental Entity that alleges any potential Liability of the Corporation under any legislation related to the collection or remittance of sales tax in respect of the period prior to Closing.

"**Sales Tax Claim Amount**" means, either (a) nil, if no Sales Tax Claim is received, (b) the amount of the Liability specified in any Sales Tax Claim, up to the amount of the Sales Tax Liability Cap, and (c) the Sales Tax Liability Cap, if a Sales Tax Claim is received but does not specify the amount of the potential Liability.

"**Sales Tax Liability Cap**" means CDN$678,000.

"**Specified Amount**" has the meaning specified in Section 4.7(5) of the Disclosure Letter.

"**Successful Bidder**" has the meaning set forth in Section 6.11(3).

"**Sumatriptan**" means the chemical compound known as sumatriptan, whose more specific chemical name is 1H-Indole-5-methanesulfonamide, 3-(2-(dimethylamino)ethyl)-N-methyl, its prodrugs and metabolites, and all esters, salts, hydrates, solvates, polymorphs and isomers thereof.

"**Target Net Working Capital**" means $6,030,000.

"**Tax Act**" means the *Income Tax Act*, R.S.C. 1985 (5th Supp.) c.1.

"**Tax Returns**" means any and all returns, reports, declarations, elections, notices, filings, information returns and statements, filed or required to be filed in respect of Taxes, and any schedules thereto or amendments thereof.

"**Taxes**" means (a) (i) any and all taxes, duties, fees, excises, premiums, assessments, imposts, levies and other charges or assessments of any kind whatsoever imposed by any Governmental Entity, and (ii) all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Entity on or in respect of amounts of the type described in subclause (i) above or this subclause (ii), and (b) any obligation to pay any amount set forth in clause (a) above with respect to another Person, whether by contract, as a result of transferee or successor liability, as a result of being a member of a related, non-arm's length, affiliated or combined group or otherwise for any period.

"**Termination Fee**" means an amount equal to $2,187,500.

"**Transaction Consents**" means the third party consents, approvals, filings, notifications and waivers listed in Section 1.1 of the Disclosure Letter.

"**Transaction Expenses**" has the meaning specified in Section 11.5.

"**Transaction Expenses**" has the meaning specified in Section 11.5.

"**Transition Period**" has the meaning give to it in Section 6.21(a).

"**Transition Services**" has the meaning give to it in Section 6.16(1).

"**Treximet Product**" means (a) MT 400 and (b) any product other than MT 400 containing (i) Sumatriptan or Naratriptan, on the one hand, and any NSAID, on the other hand, or (ii) any triptan and Naproxen.

"**U.S. GAAP**" means United States generally accepted accounting principles in effect from time to time.

"**U.S. Asset Purchase Agreement**" means the asset purchase agreement dated the date hereof between Pozen Inc. and the Nuvo Pharmaceuticals (Ireland) Limited relating to the purchase and sale of, among other things, the Vimovo Product and the Treximet Product.

"**Vendor**" has the meaning specified in the preamble to this Agreement.

"**Vendor Public Disclosure Record**" means all documents filed by or on behalf of the Vendor on SEDAR or EDGAR in the period from December 31, 2017 to the date hereof.

"**Vendor Financial Advisors**" means Moelis & Company.

"**Vendor Financials**" means collectively, the Annual Financials and the Interim Financials.

"**Vimovo Product**" means the "Product" as defined in the Amended and Restated Collaboration and License Agreement for the United States dated as of November 18, 2013, by and between Pozen and AstraZeneca AB (which agreement was assigned to Horizon Pharma USA, Inc.), that certain Amended and Restated Collaboration and License Agreement for Outside the United States, dated as of November 18, 2013, by and between Pozen and AstraZeneca AB, and that certain letter agreement dated as of November 18, 2013, by and among AstraZeneca AB, Pozen and Horizon Pharma USA, Inc., each as amended from time to time prior to the date hereof, and includes Esomeprazole magnesium and Naproxen delayed release tablet, including 375 mg (Naproxen) / 20mg (Esomeprazole magnesium) and/or 500 mg (Naproxen) / 20mg (Esomeprazole magnesium) dosage strengths.

Section 1.2 Gender and Number.

Any reference in this Agreement to gender includes all genders. Words importing the singular number only include the plural and vice versa.

Section 1.3 Headings, etc.

The provision of a Table of Contents, the division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and are not to affect its interpretation.

Section 1.4 Currency.

All references in this Agreement to dollars or to $ are expressed in United States currency, unless otherwise specifically indicated.

Section 1.5 Certain Phrases, etc.

In this Agreement (i) the words "including", "includes" and "include" mean "including (or includes or include) without limitation", (ii) the phrase "the aggregate of", "the total of", "the sum of", or a phrase of similar meaning means "the aggregate (or total or sum), without duplication, of", (iii) all references to "made available" means, when used with respect to any document or other item of information, that such document or other item of information was provided or made available to the Purchaser in the "virtual data room" prepared by the Vendor to which the Purchaser has been provided access prior to the date hereof, and (iv) the words "hereof", "hereto", "hereby", "herein" and "hereunder" and words of similar import refer to this Agreement as a whole and not to any particular provision of this Agreement. Unless otherwise specified, the words "Article" and "Section" followed by a number mean and refer to the specified Article or Section of this Agreement. In the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.6 Knowledge.

Where any representation or warranty contained in this Agreement is qualified by reference to the knowledge of the Vendor it refers to the knowledge of Adrian Adams, Andrew I. Koven, Michael Kaseta, James Hall and Chris Freeland, without personal liability on the part of any of them, in each case after due inquiry.

Section 1.7 Accounting Terms.

All accounting terms not specifically defined in this Agreement are to be interpreted in accordance with U.S. GAAP.

Section 1.8 Exhibits and Disclosure Letter.

(1) The exhibits attached to this Agreement and the Disclosure Letter form an integral part of this Agreement for all purposes of it.

(2) The purpose of the Disclosure Letter is to set out the qualifications, exceptions and other information called for in this Agreement. The Parties acknowledge and agree that the Disclosure Letter and the information and disclosures contained in it do not constitute or imply, and will not be construed as:

(a) any representation, warranty, covenant or agreement which is not expressly set out in this Agreement;

(b) an admission of any liability or obligation of the Vendor;

(c) an admission that the information is material;

(d) a standard of materiality, a standard for what is or is not in the Ordinary Course, or any other standard contrary to the standards contained in the Agreement; or

(e) an expansion of the scope of effect of any of the representations, warranties and covenants set out in the Agreement.

(3) Disclosure of any information in the Disclosure Letter that is not strictly required under this Agreement has been made for informational purposes only and does not imply disclosure of all matters of a similar nature. Inclusion of an item in any section of the Disclosure Letter is deemed to be disclosure with respect to any other item to the extent it is reasonably apparent on the face of such disclosure that it also relates to such other item.

(4) The Disclosure Letter itself is confidential information and may not be disclosed unless (i) it is required to be disclosed pursuant to applicable Law, unless such Law permits the Parties to refrain from disclosing the information for confidentiality or other purposes or (ii) a Party needs to disclose it in order to enforce or exercise its rights under this Agreement.

Section 1.9 References to Persons and Agreements.

Any reference in this Agreement to a Person includes its heirs, administrators, executors, legal representatives, successors and permitted assigns. Except as otherwise provided in this Agreement, the term "**Agreement**" and any reference in this Agreement to this Agreement or any other agreement or document includes, and is a reference to, this Agreement or such other agreement or document as it may have been, or may from time to time be amended, restated, replaced, supplemented or novated and shall include all schedules, exhibits and appendices to it.

Section 1.10 Statutes.

Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules and regulations made under it, as it or they may have been or may from time to time be amended, re-enacted or replaced.

Section 1.11 Non-Business Days.

Whenever payments are to be made or an action is to be taken on a day which is not a Business Day, such payment will be made or such action will be taken on or not later than the next succeeding Business Day.

ARTICLE 2
PURCHASED SHARES

Section 2.1 Purchased Shares.

Subject to the terms and conditions of this Agreement, the Vendor agrees to sell, assign and transfer to the Purchaser, and the Purchaser agrees to purchase from the Vendor on the Closing Date, effective as of the Effective Time, the Purchased Shares. Upon written notice delivered to the Vendor at least three (3) Business Days prior to Closing, the Purchaser shall have the right to designate any Affiliate of the Purchaser as the purchaser of the Purchased

Shares hereunder and to cause such Affiliate upon being so designated to become a party to this Agreement and subject to the rights and obligations of the Purchaser with respect to the purchase of such Purchased Shares; provided that, in such a case, the Purchaser shall continue to remain liable, on a joint and several basis with such Affiliate, for its obligations under this Agreement.

ARTICLE 3
PURCHASE PRICE

Section 3.1 Purchase Price.

Subject to adjustment in accordance with Section 3.4, the aggregate consideration payable by the Purchaser to the Vendor for the Purchased Shares is $62,500,000 (the "**Purchase Price**"), which shall be satisfied in accordance with Section 3.2 and Section 3.4.

Section 3.2 Payment of the Purchase Price.

(1) At the Closing, the Purchaser shall pay the to the Monitor, on behalf of the Vendor, by wire transfer of immediately available funds (details of which will be provided by the Vendor to the Purchaser in writing no later than three (3) Business Days prior to the Closing) the following amount (the "**Closing Payment**"):

(a) the Purchase Price; minus

(b) the Deposit; plus

(c) the amount, if any, by which Estimated Net Working Capital exceeds Target Net Working Capital; minus

(d) the amount, if any, by which Target Net Working Capital exceeds Estimated Net Working Capital, minus

(e) the Estimated Closing Indebtedness; plus

(f) the Estimated Closing Net Cash.

(2) Not less than two Business Days prior to the Closing Date, the Vendor shall, in consultation with the Purchaser, prepare and deliver to the Purchaser a certificate setting forth the Vendor's good faith estimate (together with reasonable supporting documentation) of the Estimated Closing Indebtedness, the Estimated Closing Net Working Capital and the Estimated Closing Net Cash.

Section 3.3 Delivery of Closing Date Statement and Dispute Resolution.

(1) As promptly as practicable (and in any event within ten (10) Business Days following the Closing Date), the Purchaser shall conduct or cause to be conducted a physical count of the Closing Inventory located at the locations listed on Section 4.24 of the Disclosure Letter on the Closing Date and shall prepare a written report of the Closing Inventory.

(2) Not later than seventy five (75) days following the Closing Date, the Purchaser shall prepare and deliver to the Vendor a statement (the "**Closing Date Statement**") setting forth the Purchaser's calculation, with reasonable supporting written documentation of (i) the Closing Net Working Capital, (ii) the Closing Indebtedness, (iii) the Closing Net Cash and (iv) the Adjustment Amount (other than the Sales Tax Claim Amount). The Parties shall cooperate fully in the preparation of the Closing Date Statement.

(3) If the Vendor has any objections to any of the amounts set forth in the Closing Date Statement, the Vendor shall have twenty (20) days after its receipt of the Closing Date Statement (the "**Notice Period**"), within which to give written notice (the "**Dispute Notice**") to the Purchaser, specifying in reasonable detail all of the Vendor's objections and the basis therefor, including the Vendor's proposed calculation of the amounts to be set forth in the Closing Date Statement.

(4) If the Vendor does not deliver a Dispute Notice to the Purchaser within such Notice Period, the amounts set forth in the Closing Date Statement calculated by the Purchaser shall be final, binding and conclusive on the Vendor and the Purchaser absent manifest error.

(5) If the Vendor delivers a Dispute Notice to the Purchaser within the Notice Period, the Vendor and the Purchaser shall negotiate in good faith, during the thirty (30) day period (the "**Resolution Period**") after the date of the Purchaser's receipt of the Dispute Notice, to resolve any disputes set forth in the Dispute Notice.

(6) If the Purchaser and the Vendor are unable to resolve all such disputes within the Resolution Period, then within thirty (30) days after the expiration of the Resolution Period, all unresolved disputes set forth in the Dispute Notice shall be submitted to a firm of chartered accountants to be mutually agreed upon by the Purchaser and the Vendor, each acting reasonably (the "**Neutral Accountant**"), who shall be engaged as an expert and not as an arbitrator to provide a final, binding and conclusive resolution of all such unresolved disputes. If the Purchaser and the Vendor fail to select the Neutral Accountant within five Business Days after the expiration of the Resolution Period or the Neutral Accountant selected as described above is unable or unwilling to act when called upon pursuant to this Section 3.3(6) and the Purchaser and the Vendor have not appointed a substitute to act in substitution for the original designee within fifteen (15) days after the expiration of the Resolution Period, then the Neutral Accountant shall be appointed by a single arbitrator, sitting in Toronto, Canada, appointed by the ADR Institute of Canada upon application by any Party, and, upon such appointment, such Person shall be deemed to be the Neutral Accountant and the time periods prescribed below in Section 3.3(7) shall run from the date of such substitute's appointment hereunder.

(7) Within fifteen (15) days after the Neutral Accountant is appointed as described above, the Purchaser shall forward a copy of the Closing Date Statement to the Neutral Accountant, and the Vendor shall forward a copy of the Dispute Notice, as well as, in each case, any relevant supporting documentation. The Neutral Accountant shall allow each of the Purchaser and the Vendor to present their respective positions regarding the Closing Date Statement and the Dispute Notice and each of them shall have the right to

present additional documents, materials and other information, and make an oral presentation (at which the other Party shall be entitled to be present) to the Neutral Accountant regarding the disputes submitted to the Neutral Accountant for resolution. The Neutral Accountant's role shall be limited to resolving such disputes and determining the amounts to be set forth in the Closing Date Statement in order to determine each of the Closing Net Working Capital, the Closing Indebtedness, the Closing Net Cash and the Adjustment Amount (other than the Sales Tax Claim Amount), in accordance with the terms of this Agreement (for greater certainty, the Neutral Accountant shall assign a value that is not greater or less than the highest and lowest amount specified by the Purchaser and the Vendor). In resolving such disputes, the Neutral Accountant shall apply the provisions of this Agreement concerning determination of the Closing Date Statement and the amounts to be set forth therein. The Neutral Accountant shall promptly provide written notice to the Purchaser and the Vendor of its resolution of such disputes and the resulting calculation of the Closing Net Working Capital, the Closing Indebtedness, the Closing Net Cash and the Adjustment Amount (other than the Sales Tax Claim Amount), which calculations shall be final and binding upon the Parties and will not be subject to appeal, absent manifest error. The Neutral Accountant shall be instructed to use reasonable efforts to perform its services within thirty (30) days of its receipt of the Closing Date Statement and Dispute Notice, together with all relevant supporting documentation.

(8) The Neutral Accountant will determine the allocation of the cost of its review and report based on the inverse of the percentage its determination (before such allocation) bears to the total amount of the disputed portions of the Closing Date Statement as originally submitted to the Neutral Accountant. For example, should the disputed portions of the Closing Date Statement total a net amount equal to $1,000 and the Neutral Accountant awards $600 in favour of the Purchaser' position, 60% of the costs of its review would be borne by the Vendor and 40% of the costs would be borne by the Purchaser. However, the Vendor and the Purchaser shall each bear their own costs in presenting their respective cases to the Neutral Accountant.

Section 3.4 Purchase Price Adjustment.

(1) If the Adjustment Amount is equal to nil, then there shall be no adjustment to the Purchase Price pursuant to this Section 3.4. In such case, the Purchaser and the Vendor shall, within two (2) Business Days from the date on which the Adjustment Amount is finally determined, give written instructions to the Escrow Agent to release to the Monitor on behalf of the Vendor (or as the Vendor may direct) an amount in cash equal to the Purchase Price Adjustment Escrow Amount in accordance with the Deposit Escrow Agreement.

(2) If the Adjustment Amount is a positive number, then the Purchase Price will be deemed to be increased by the Adjustment Amount. The amount of such increase in the Purchase Price shall be satisfied as follows:

(a) the Purchaser and the Vendor shall, within two (2) Business Days from the date on which the Adjustment Amount is finally determined, give written instructions to the Escrow Agent to release to the Monitor on behalf of the

Vendor (or as the Vendor may direct) an amount in cash equal to the Purchase Price Adjustment Escrow Amount in accordance with the Deposit Escrow Agreement, and

(b) the Purchaser, within two (2) Business Days from the date on which the Adjustment Amount is finally determined, shall pay to the Vendor an amount in cash equal to Adjustment Amount, which amount shall be payable by wire transfer from, or on behalf of, the Purchaser to the Monitor, on behalf of the Vendor (or as the Vendor may direct) of available funds.

(3) If the Adjustment Amount is a negative number, then the Purchase Price will be deemed to be decreased by the Adjustment Amount. The amount of such decrease in the Purchase Price shall be satisfied as follows:

(a) the Purchaser and the Vendor shall, within two (2) Business Days from the date on which the Adjustment Amount is finally determined, give written instructions to the Escrow Agent to release to the Purchaser from the Purchase Price Adjustment Escrow Amount an amount equal to such decrease in the Purchase Price, and

(b) the balance of the Purchase Price Adjustment Escrow Amount (if any) shall be distributed to the Monitor on behalf of the Vendor, (or as the Vendor may direct) in accordance with the Deposit Escrow Agreement. In the event the balance of the Purchase Price Adjustment Escrow Amount is not sufficient to pay the amount of such decrease in the Purchase Price to the Purchaser, the Monitor on behalf of the Vendor shall pay the balance of the Adjustment Amount from the proceeds of sale held by the Monitor.

(4) The determination and adjustment, if any, of the Purchase Price in accordance with the provisions of Section 3.3 and Section 3.4 do not limit or affect any other rights or causes of action which the Purchaser or the Vendor may have with respect to the representations, warranties, covenants and indemnities in their favour contained in this Agreement.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF THE VENDOR AND THE CORPORATION

Section 4.1 Representations and Warranties of the Vendor and the Corporation.

The Vendor and the Corporation, jointly and severally, represent and warrant to the Purchaser the matters set out on Exhibit "A", with each such representation and warranty subject to such exceptions, if any, as are set forth in the corresponding section of the Disclosure Letter, and acknowledge and agree that the Purchaser is relying upon the representations and warranties in connection with its purchase of the Purchased Shares.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

Section 5.1 Representations and Warranties of the Purchaser.

The Purchaser represents and warrants to the Vendor the matters set out on Exhibit "B", and acknowledges and agrees that the Vendor is relying on such representations and warranties in connection with its sale of the Purchased Shares.

ARTICLE 6
COVENANTS OF THE PARTIES

Section 6.1 Conduct of Business Prior to Closing.

Except as otherwise expressly provided in this Agreement (including the Pre-Closing Reorganization) or for actions taken by the Vendor or the Corporation as required under the DIP Agreement or in connection with the CCAA Proceedings, during the Interim Period, the Vendor and the Corporation will (i) conduct the Purchased Business in the Ordinary Course and (ii) use their commercially reasonable efforts to maintain and preserve intact the current organization and Purchased Business and to preserve the rights, goodwill and relationships of its employees, customers, lenders, suppliers, manufacturers, licensees, licensors, regulators and others having business relationships with the Purchased Business. Without limiting the foregoing, except for actions taken by the Vendor or the Corporation as required by this Agreement, the Pre-Closing Reorganization, the U.S. Asset Purchase Agreement, the DIP Agreement or the CCAA Proceedings, without the prior written consent of the Purchaser, during the Interim Period, the Vendor and Corporation shall not, directly or indirectly:

(1) declare, set aside or pay any dividend on or make any distribution or payment or return of capital in respect of the Purchased Shares (whether in cash or property);

(2) amend the Corporation's organizational documents or structure, including amending the terms of any securities of the Corporation, splitting, dividing, consolidating, combining or reclassifying the Purchased Shares or any other securities of the Corporation;

(3) reorganize, amalgamate, consolidate or merge the Corporation with any other Person;

(4) issue or sell any shares, bonds or other securities of the Corporation;

(5) grant, impose or suffer to be imposed any Lien upon any of the Purchased Shares or Assets other than Permitted Liens;

(6) assume, guarantee or incur any Indebtedness of the Corporation in excess of $100,000 in the aggregate;

(7) grant any options, increase in the rate of wages, salaries, bonuses, benefits (including adopting any new Employee Plan) or other compensation payable to of any director, officer or Employees of the Corporation other than in the Ordinary Course of the Purchased Business;

(8) enter into any Contract that would, if entered into prior to the date hereof, be a Material Contract; materially modify, materially amend, materially breach, repudiate, reject, disclaim, restate or terminate any Material Contract; or waive, release or assign any material rights or claims under any Material Contract;

(9) sell Products to wholesalers, distributors or customers outside the Ordinary Course of the Purchased Business;

(10) cause any increase or decrease in the levels of Inventory held with the wholesalers and distributors of the Products outside the Ordinary Course of the Purchased Business;

(11) abandon, allow to lapse or fail to maintain (i) any Intellectual Property that is owned by or exclusively licensed to the Corporation, or (ii) any filings related to any Authorization, in each case that is material to any of the Products or the Purchased Business;

(12) make any forward purchase commitments either in excess of the requirements of the Purchased Business for Ordinary Course operating purposes or at prices higher than the current market prices;

(13) compromise or settle any governmental action or material litigation relating to the Purchased Business or the Corporation or cancel or compromise any material claim or waive or release any material right, in each case, that is related to the Purchased Business;

(14) make any leasehold improvements to any leased premises of the Corporation;

(15) cancel or reduce any insurance coverage other than in the Ordinary Course;

(16) make any change in the method of billing or the credit terms available to the customers of the Purchased Business;

(17) make any change in any method of accounting or auditing practice relating to the Purchased Business other than such changes required by U.S. GAAP;

(18) except as required by applicable Law or U.S. GAAP (a) make, change, revoke or rescind any election relating to Taxes, (b) make or change any method of Tax accounting, (c) make any amendment with respect to any Tax Return, (d) settle or otherwise finally resolve any controversy relating to an amount of Taxes, or (e) request, enter into any agreement or other arrangement or execute any waiver providing for any extension of time within which (i) to file any Tax Return in respect of any Taxes for which the Corporation is or may be liable, (ii) to file any elections, designations or similar filings relating to Taxes for which the Corporation is or may be liable, (iii) the Corporation is required to pay or remit any Taxes or amounts on account of Taxes or (iv) any Governmental Entity may assess or collect Taxes for which the Corporation is or may be liable;

(19) other than in the Ordinary Course of the Purchased Business, submit any material information to or enter into any material discussions with or respond to any enquiry from any Governmental Entity with respect to any Product; and

(20) authorize, agree or otherwise commit, whether or not in writing, to do any of the foregoing.

Section 6.2 Actions to Satisfy Closing Conditions.

Subject to this Article 6, the Vendor and the Corporation will use its commercially reasonable efforts to cause all of the conditions set forth in Section 7.1 to be satisfied as promptly as possible and the Purchaser will use its commercially reasonable efforts to cause all of the conditions set forth in Section 7.2 to be satisfied as promptly as possible.

Section 6.3 Request for Consents.

(a) The Vendor and the Corporation will use their commercially reasonable efforts to obtain or provide notice related to, as applicable, or cause to be obtained or notice to be provided related to, prior to Closing, the Transaction Consents and the Required Consents. Despite the previous sentence, neither the Vendor nor the Corporation is under any obligation to pay any money to a third party (unless the Purchaser agrees in writing to reimburse the Vendor or the Corporation for such payment), incur any material obligations, commence any legal proceedings or offer or grant any material accommodation (financial or otherwise) to any third party in order to obtain, or provide notice related to, such Transaction Consents or take any action whatsoever that is not permitted by the CCAA Proceedings.

(b) The Purchaser will co-operate in obtaining and providing notice related to to, as applicable, the Transaction Consents and the Required Consents, including providing information of the Purchaser as is reasonably requested by a third party, and will use its commercially reasonable efforts to obtain or provide notice related to, or cause to be obtained or notice to be provided related to, prior to Closing, the Required Consents. Despite the previous sentence, the Purchaser is under no obligation to pay any money to a third party (unless the Vendor agrees in writing to reimburse the Purchaser for such payment), incur any material obligations, commence any legal proceedings or offer or grant any material accommodation (financial or otherwise) to any third party in order to obtain, or provide notice related to, such Transaction Consents or Required Consents or take any action whatsoever that is not permitted by the CCAA Proceedings. For greater certainty, the Purchaser shall not condition any Required Consent on the party providing such Required Consent agreeing to new or amended terms that are more favourable to the Corporation under the Contract(s) subject to the Required Consent.

Section 6.4 Pre-Closing Reorganization.

Prior to the Closing, the Vendor shall (and the Vendor shall cause the Corporation to) complete each of the transactions set forth on Section 6.4 of the Disclosure Letter, (collectively, the "**Pre-Closing Reorganization**") on terms and conditions satisfactory to the Purchaser, acting reasonably.

Section 6.5 CCAA Proceedings.

Notwithstanding anything to the contrary in Section 6.1, without the prior written consent of the Purchaser, acting reasonably, the Vendor and the Corporation will not take any action in connection with the CCAA Proceedings or the Pre-Closing Reorganization (other than an action taken in the Ordinary Course or in accordance with the Bidding Procedures Order or the Approval Order) that gives rise, or might reasonably be expected to give rise, to a material Tax liability of the Corporation or a material reduction in the Tax attributes of the Corporation or any of its Assets, excluding, for greater certainty, any capital losses which expire in accordance with applicable law upon the consummation of the transactions contemplated by this Agreement.

Section 6.6 Access to Information.

From the date hereof until the Closing, the Vendor and the Corporation shall use commercially reasonable efforts to (a) afford the Purchaser or any of its representatives full and free access to and the right to inspect all of the Assets, premises, the Books and Records, Contracts and other documents and data related to the Purchased Business, (b) furnish the Purchaser or any of its representatives with such financial, operating and other data and information related to the Purchased Business as the Purchaser or any of its representatives may reasonably request, and (c) cause their agents, employees, officers and directors to aid the Purchaser or any of its representatives in its investigation of the Purchased Business. Any request or investigation under this Section 6.5 shall be made or conducted on a reasonable basis by the Purchaser providing reasonable notice to the Vendor and the Corporation and shall be conducted during normal business hours in such a manner as not to interfere unreasonably with the conduct of the Purchased Business. No investigation by the Purchaser or any of its representatives or other information received by the Purchaser or any of its representatives after the date hereof shall operate as a waiver or otherwise affect any representation, warranty or agreement given or made by the Vendor or the Corporation (including Section 9.1) and shall not be deemed to amend or supplement the Disclosure Letter.

Section 6.7 Notice of Certain Events.

(1) During the Interim Period, the Vendor shall promptly notify the Purchaser in writing of any:

(a) result, effects, occurrence, fact, circumstance, development, condition, change, event or action, the existence, occurrence or taking of which has resulted in, or could reasonably be expected to result in, the failure of any of the conditions set forth in Section 7.1 to be satisfied prior to the Outside Date;

(b) notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement;

(c) notice or other communication from any Governmental Entity in connection with any Product; and

(d) any legal proceeding or investigation commenced or, to the knowledge of the Vendor, threatened against, relating to or involving or otherwise affecting the Vendor or the Corporation that, if pending on the date of this Agreement, would have been required to have been disclosed under Section 4.11 (*Litigation*) or that relates to the transactions contemplated by this Agreement.

(2) The Purchaser's receipt of information under this Section 6.7 shall not operate as a waiver or otherwise affect any representation, warranty or agreement given or made by the Vendor in this Agreement (including Section 9.1) and shall not be deemed to amend or supplement the Disclosure Letter.

Section 6.8 Financial Statements.

The Vendor and the Corporation shall use commercially reasonable efforts to prepare and provide the Purchaser with the BAR Financial Statements as promptly as practicable following the date hereof. The Vendor and the Corporation shall use commercially reasonable efforts to cause the BAR Financial Statements to be audited (as and to the extent required under Applicable Securities Laws) by the Vendor's auditor. The Vendor and the Corporation shall use their commercially reasonable efforts to have their auditors enter into an engagement letter with respect to the BAR Financial Statements on customary terms with respect to the auditor's consent to the incorporation by reference of their auditor's report on the BAR Financial Statements and to the disclosure of their name in any document filed by the Purchaser under Applicable Securities Laws (to the extent such consent is required under Applicable Securities Laws). The Purchaser shall bear all reasonable documented out-of-pocket costs incurred by the Vendor or the Corporation in connection with the performance by the Vendor and the Corporation of their obligations under this Section 6.8.

Section 6.9 Key Employee Retention Plan

If the Vendor or the Corporation or any of their Affiliates seek approval of a key employee retention plan, the employees of the Vendor and its Affiliates set forth in Section 6.9 of the Disclosure Letter shall be included in such plan.

Section 6.10 Tax Returns.

(1) The Purchaser shall prepare all Tax Returns relating to the Corporation arising from or relating to any Tax period ending on or prior to the Closing Date (or to the portion of any Tax period ending immediately prior to the Closing Date, in the case of a Tax period which begins before and ends after the Closing Date) in a manner consistent with the manner in which prior Tax Returns were filed by the Corporation, subject to applicable Law. The Purchaser shall provide the Vendor with copies of such Tax Returns for review

and comment at least 30 days prior to the applicable filing due date in the case of income Tax Returns and as soon as practicable in the case of all other Tax Returns, and shall consider, acting reasonably, all comments received from the Vendor hereon and shall timely file such Tax Returns. The parties hereby acknowledge and agree that the Purchaser, in its sole discretion, may cause the Corporation to make an election pursuant to subsection 256(9) of the Tax Act (and the corresponding provisions of any applicable provincial Tax Law) in respect of its taxation year ending immediately before the acquisition of control of it by the Purchaser.

(2) The Purchaser and the Vendor agree to furnish or cause to be furnished to each other, upon request, as promptly as practicable, such information and assistance relating to the Purchased Shares and the Purchased Business as is reasonably necessary for the filing of all Tax Returns and making of any election related to Taxes, the preparation for any audit by any Governmental Entity, and the prosecution or defence of any claim relating to any Tax Return. The Purchaser and the Vendor shall cooperate with each other in the conduct of any audit or other proceeding related to Taxes involving the Purchased Shares or the Purchased Business and each shall execute and deliver such powers of attorney and other documents as are necessary to carry out the intent of this Section 6.10(2).

(3) For greater certainty, nothing in this Section 6.10 shall be construed as requiring the Corporation to file, or the Purchaser to acquiesce to the filing by the Corporation, of any agreement under subsection 80.04(4) of the Tax Act in respect of any Tax period ending on or prior to the Closing Date.

Section 6.11 CCAA Court Actions.

(1) In accordance with the timetable established in Schedule "A" to Exhibit "D" (as amended, modified, or supplemented with the consent of the Purchaser, not to be unreasonably withheld (the "**Bidding Procedures Order**") and the rules of service set out in the Initial Order, the Vendor and the Corporation shall bring a motion seeking an order substantially in the form of the Bidding Procedures Order for approval of (i) the form of this Agreement and Vendor's and the Corporation's authority to enter into this Agreement as a "stalking horse bid", (ii) the bidding procedures governing the sale of the Purchased Shares, and (iii) payment of the Termination Fee and the Expense Reimbursement, to the extent payable by the terms of this Agreement or the Bidding Procedures Order and including a priority charge of the CCAA Court against the assets of each of the Vendor and Corporation securing the Termination Fee and the Expense Reimbursement which charge shall have priority over all CCAA Court-ordered charges and other Liens, other than the administration charge and the charge in favour of the DIP Lender, each as granted in the Initial Order. The Vendor and the Corporation shall use commercially reasonable efforts to seek entry of the Bidding Procedures Order within the timeline established by the bidding procedures timetable.

(2) If the Purchaser is determined to be the Successful Bidder pursuant to the Bidding Procedures then, in accordance with the timetable established in Schedule "A" to the Bidding Procedures Order and the rules of service set out in the Initial Order, the

Vendor and the Corporation shall bring a motion or motions, to be served by the Vendor and the Corporation on the service list in the CCAA Proceedings and such other Persons as Purchaser may request, seeking an order substantially in the form of Exhibit "C" approving the sale of the Purchased Shares to the Purchaser pursuant to this Agreement on the conditions set forth herein, free and clear of all Liens (to the extent set forth herein) (as amended, modified, or supplemented with the consent of the Purchaser, not to be unreasonably withheld, the "**Approval Order**"); and (ii) an order substantially in the form of Exhibit "F" terminating the CCAA Proceedings as relates to the Corporation (as amended, modified or supplemented with the consent of the Purchaser, not to be unreasonably withheld, the "**Aralez Canada CCAA Termination Order**" and together with the Bidding Procedures Order and the Approval Order, the "**Court Orders**").

(3) If an Auction is conducted, and the Purchaser is not the prevailing party at the conclusion of such Auction (such prevailing party, the "**Successful Bidder**") but is the next highest bidder at the Auction, the Purchaser shall be required to serve as a back-up bidder (the "**Back-up Bidder**") and keep Purchaser's bid to consummate the transactions contemplated by this Agreement on the terms and conditions set forth in this Agreement (as the same may be revised in the Auction with the consent of the Purchaser) open and irrevocable in accordance with the Bidding Procedures Order until the Outside Date.

(4) The Vendor and the Corporation shall use commercially reasonable efforts to cause the bidding procedures approved by the Bidding Procedures Order to provide that any condition to closing set forth in any qualified bid with respect to an Alternative Transaction cannot be more favorable to the bidder in such Alternative Transaction than any similar conditions set forth in this Agreement, it being acknowledged and agreed that such qualified bid for an Alternative Transaction may have (i) additional conditions to closing that are required by law or as a result of the structure of the qualified bid for the Alternative Transaction, (ii) less conditions to closing, or (iii) conditions to closing that are more favourable to the Vendor.

(5) The Vendor and the Corporation shall use their commercially reasonable efforts, and shall cooperate, assist and consult with the Purchaser, to secure the entry of the Bidding Procedures Order and, if applicable, the Approval Order and the Aralez Canada CCAA Termination Order.

(6) If the Bidding Procedures Order, the Approval Order, the Aralez Canada CCAA Termination Order or any other Orders of the CCAA Court relating to this Agreement or the transactions contemplated hereby shall be appealed by any Person or leave to appeal sought (or if any motion for amendment, clarification, modification or stay shall be filed with respect to the Approval Order, Bidding Procedures Order, the Aralez Canada CCAA Termination Order or other such Order), and this Agreement has not otherwise been terminated pursuant to Section 9.1, the Vendor and the Corporation shall take steps to reasonably diligently defend such appeal, leave to appeal or motion and shall use their reasonable best efforts to obtain an expedited resolution of any such appeal, leave to appeal or motion.

Section 6.12 Copies of Pleadings.

No less than two (2) Business Days prior to service thereof, the Vendor and the Corporation shall, to the extent reasonably practicable, provide the Purchaser with drafts of all documents, motions, orders, filings or pleadings that the Vendor and the Corporation propose to file with the CCAA Court that relate to the Bidding Procedures or the approval of this Agreement and the consummation of the transactions contemplated hereby. The Vendor and the Corporation shall also promptly (and, in any event, within two (2) Business Days) provide the Purchaser with copies of all pleadings received by or served by or upon the Vendor or the Corporation in connection with the CCAA Proceedings that relate to the Bidding Procedures or, in the Vendor's or the Corporation's judgment, are reasonably expected to affect the transactions provided for in this Agreement and which have not, to the actual knowledge of the Vendor or the Corporation, as applicable, otherwise been served on the Purchaser.

Section 6.13 Non-Solicitation of Bids.

From the date hereof until the date of the entry of the Bidding Procedures Order the Vendor and the Corporation shall not solicit bids for an Alternative Transaction or respond to any inquiries from any Person regarding a potential Alternative Transaction.

Section 6.14 Financing.

Subject to the terms and conditions of this Agreement, the Purchaser shall use its commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable to obtain the Debt Financing on the terms and subject to the conditions described in the Commitment Letter, including to (A) on a timely basis, negotiate and enter into definitive agreements with respect thereto on the terms and subject to the conditions contained in the Commitment Letter, (B) satisfy on a timely basis all conditions applicable to the Purchaser in the Commitment Letter (and, if such conditions are for any reason not satisfied, to obtain the waiver of such conditions on a timely basis) (but in each case excluding any conditions where the failure to be so satisfied is a result of the Vendor's material breach of any of its other obligations under this Agreement or a material breach by Deerfield), (C) maintain in full force and effect the Commitment Letter in accordance with the terms thereof, (D) upon the satisfaction of the conditions in the Commitment Letter, consummate the Debt Financing contemplated by the Commitment Letter at or prior to Closing, and (E) enforce its rights under the Commitment Letter. The Purchaser shall not amend or waive any term or condition of the Commitment Letter that would reasonably be expected to delay, interfere or otherwise impede the consummation of the Closing without the prior written consent of the Vendor.

Section 6.15 Co-operation with Financing.

Upon the reasonable request of the Purchaser, the Vendor and the Corporation shall provide commercially reasonable cooperation and assistance to the Purchaser in connection with the arrangement of the Debt Financing including, but not limited to, as so requested:

(a) promptly furnishing the Purchaser with financial information, statistical information, diligence materials and any other pertinent information

regarding the Vendor and the Corporation as may be reasonably required by the Purchaser or Deerfield;

(b) cooperating with the Purchaser in connection with applications to obtain consents, approvals or authorizations which may be reasonably necessary in connection with the Debt Financing;

(c) reasonably facilitating the provision of guarantee and pledging of collateral, including by executing and delivering definitive financing documents, including pledge and security documents, customary certificates and other documents (including original stock certificates and/or limited liability company membership or equity interests, with transfer powers executed in blank), to the extent reasonably requested by the Purchaser or reasonably required by Deerfield in connection with the Debt Financing (provided that (A) none of the documents or certificates shall be executed and/or delivered except in connection with the Closing, (B) the effectiveness thereof shall be conditioned upon, or become operative after, the occurrence of the Closing and (C) no liability shall be imposed on the Vendor, any of its Affiliates or any of their respective directors, officers or employees involved);

(d) assisting with the review of and granting of security interests in collateral as may be reasonably required by Deerfield;

(e) assisting with procuring customary payoff letters, lien releases and terminations (other than the Deerfield Release Letter) as may be reasonably required by Deerfield;

(f) providing all documents and information regarding the Vendor and its Affiliates as reasonably required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including the *USA Patriot Act of 2001* and *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) at least three Business Days prior to the Closing;

(g) assisting the Purchaser with the Purchaser's efforts to establish bank and other accounts as reasonably necessary in connection with the Debt Financing, including, but not limited to, blocked account agreements, control agreements and lock box arrangements; and

(h) taking reasonable corporate actions, including delivery of customary officer's and secretary's certificates, subject to and only effective upon the occurrence of the Closing, reasonably necessary to permit the consummation of the Debt Financing, provided no liability shall be imposed on the Vendor, any of its Affiliates or any of their respective directors, officers or employees involved.

Section 6.16 Transition Services.

(1) The Vendor shall, during the period commencing on the date hereof and ending upon the earlier of (i) the date that is six months following the Closing and (ii) the date of the termination of the CCAA Proceedings, use its commercially reasonable efforts to provide such services and assistance to the Purchaser as the Purchaser may reasonably request to facilitate the transition of the Purchased Business to the Purchaser, including, as requested, IT support, accounting services, consulting services, insurance administration, intellectual property administration, litigation support and shared facilities (the "**Transitional Services**"). The Parties acknowledge the transitional nature of the Transitional Services. Accordingly, as promptly as practicable following the execution of this Agreement, the Purchaser agrees to use commercially reasonable efforts to transition of each Transitional Service to its own internal organization or to obtain alternate third-party sources (at the Purchaser's expense) to provide the Transitional Services, and the Vendor and the Corporation agree to use commercially reasonable efforts to assist the Purchaser in connection therewith.

(2) Without limiting the generality of the foregoing, following Closing, the Vendor will use commercially reasonable efforts to make the individuals set forth in Section 6.16 of the Disclosure Letter (other than any employees of the Corporation) available to provide Transitional Services to the extent requested by the Purchaser. Notwithstanding the foregoing, during the Transition Services period set forth in Section 6.16(1) the Parties agree that neither the Vendor nor any of its affiliates shall have any obligation to (a) hire replacements for employees that resign, retire or are fired "for cause" or hire additional employees or (b) subject to Section 6.9, enter into retention agreements with employees or otherwise provide any incentive beyond payment of regular salary and benefits.

(3) The Purchaser shall reimburse the Vendor, on a "cost-pass-through" basis, for the cost of the Transitional Services provided by the Vendor following Closing as requested by the Purchaser.

(4) The Purchaser may terminate any Transitional Service, in whole and not in part, upon thirty (30) days' notice to the Vendor in writing of any such determination. Upon the termination of any Transitional Services, the Vendor shall have no further obligation to provide the applicable terminated Transitional Services and the Purchaser will have no obligation to pay any future compensation relating to such Transitional Services (other than costs required to be paid by the Purchaser pursuant to Section 6.16 in respect of Transitional Services already provided and received by the Purchaser prior to such termination).

(5) The Vendor represents, warrants and agrees that the Transitional Services shall be provided in good faith, in accordance with Law and with the same standard of care as historically undertaken by or on behalf of the Vendor. The Vendor will use commercially reasonable efforts to assign sufficient resources and qualified personnel as are reasonably required to perform the Transitional Services in accordance with the standards set forth in the preceding sentence, but subject to the other terms and conditions of this Section 6.16.

Section 6.17 Deposit

The Purchaser shall use commercially reasonable efforts to cause the Deposit to be deposited with the Escrow Agent to be held in escrow in accordance with the terms of the Deposit Escrow Agreement within five (5) Business Days of the date hereof.

Section 6.18 TSX Conditional Approval

Promptly following the date hereof, the Purchaser shall use commercially reasonable efforts to have the Toronto Stock Exchange conditionally approve, as soon as commercially practicable, the potential issuance of equity of the Purchaser as contemplated by the Debt Financing on the terms set forth in the Commitment Letter, subject only to the satisfaction of the customary listing conditions of the Toronto Stock Exchange (which shall not include the requirement to obtain any approval of the shareholders of the Purchaser prior to Closing). The Purchaser shall promptly notify the Vendor of the occurrence of any event or circumstance that it is aware of that would reasonably be expected to materially impede or delay the Purchaser's ability to obtain such conditional approval, provided that any such notification shall not otherwise relieve the Purchaser of its obligations under this Section 6.18.

Section 6.19 License Agreements

The Vendor shall, and shall cause its subsidiaries to, as applicable, use commercially reasonable efforts to transfer any IT Licenses specified by the Purchaser in writing that are not owned by the Corporation to the Corporation prior to Closing or as promptly following Closing as reasonably practicable. Notwithstanding the foregoing, the Parties hereto acknowledge and agree that the transfer of the IT Licenses are not a condition to Closing. To the extent that any Affiliate of the Corporation has prepaid expenses under the IT Licenses for services to be provided to or for the Corporation following the Effective Time, such IT License shall only be transferred to the Corporation provided the Purchaser reimburses such Affiliate, directly or indirectly, for the actual cost of such prepaid expenses.

Section 6.20 Claims Process

The Vendor and the Corporation shall bring a motion in the CCAA Court seeking approval of a claims process (the "**Claims Process**") in form and substance customary for claims processes in CCAA proceedings and otherwise satisfactory to the Purchaser, acting reasonably, pursuant to which all claims against the Vendor and the Corporation and their respective directors and officers shall be solicited and determined, including any claims that may exist in relation to the Specified Amounts. The Claims Process shall include a claims bar date that is before the Closing Date. A claim related to a Specified Amount shall be included in Indebtedness for the purposes of calculating the Estimated Closing Indebtedness and the Closing Indebtedness unless: (A) such Specified Amount is paid by the Corporation or (B) (i) the Claims Process is approved by the CCAA Court and the Aralez Canada CCAA Termination Order is entered; and (ii) either (x) no claim in relation to such Specified Amount is filed in accordance with the Claims Process or otherwise permitted to be filed by the CCAA Court, or (y) to the extent a claim in relation to a Specified Amount is filed in accordance with the Claims Process or otherwise permitted to be filed by the CCAA Court, such claim has been disallowed in full without any further ability on the part of the claimant to dispute, appeal or otherwise

contest such disallowance, or (z) to the extent a claim in relation to a Specified Amount is filed in accordance with the Claims Process or otherwise permitted to be filed by the CCAA Court and is disputed, under appeal or otherwise contested as at the Closing, in which case the full amount of the claim shall be included in Estimated Closing Indebtedness and Closing Indebtedness unless such claim is reduced as a result of such dispute, appeal or contestation prior to the date on which the Adjustment Amount is finally determined (the "**Adjustment Date**") in which case the amount included in Closing Indebtedness in respect of such claim shall be such reduced amount; provided that in the event that following the Adjustment Date any amount of a claim related to a Specified Amount included in the Closing Indebtedness pursuant to this clause (z) is finally determined to be disallowed, the Purchaser shall remit such disallowed amount to the Monitor on behalf of the Vendor within five (5) Business Days of such determination. Notwithstanding the foregoing, if a claim is allowed for an amount that is greater than nil but less than the applicable amount filed with respect to such claim in the Claims Process, the Indebtedness shall be adjusted in the amount of the allowed claim. In the event that any claims in relation to a Specified Amount are determined to be owing by the Corporation pursuant to the Claims Process, the Purchaser shall cause the Corporation to pay such amounts following the Closing to the relevant party as determined by the Claims Process.

Section 6.21 Aralez Trademark

(a) The Vendor shall change its name to remove any reference to "Aralez" and to change the style of cause in the CCAA Proceedings, in each case as soon as practicable and in any event not later than ninety (90) days of the Closing Date ("**Transition Period**") and shall provide the Purchaser with documentation to evidence the change of name. On and after the Closing Date, the Vendor shall not, and shall cause its Affiliates not to, represent that they are, or otherwise hold themselves out as being, affiliated with Purchaser.

(b) Subject to the terms and conditions set out in this Section 6.21, Purchaser hereby grants the Vendor a non-exclusive, non-transferable, royalty-free, revocable license, during the Transition Period, to use and distribute its existing stock of signs, business cards, letterheads, invoice forms, advertising, sales, marketing and promotional materials, and other documents and materials containing or bearing the Aralez Trademark ("**Existing Materials**") in connection with the continued operation of its business solely in a manner consistent with the Vendor's operation of the Purchased Business immediately prior to the Closing Date.

(c) Any use of the Aralez Trademark shall only be in a form and manner consistent with a level of quality equal to or greater than the quality of services in connection with which Vendor used the Aralez Trademark in connection with the Purchased Business immediately prior to the Closing, and shall comply with all applicable Laws and industry practice in connection with its use of the Aralez Trademark and Existing Materials. All goodwill generated by the Vendor's use of the Aralez Trademark shall inure solely to Purchaser's benefit.

(d) Vendor shall not, nor attempt to, nor permit, enable or request any other Person to: (i) use the Aralez Trademark in any manner, or engage in any other act or omission, that tarnishes, degrades, disparages or reflects adversely on the Aralez Trademark or the Purchaser or its Affiliates' (including the Corporation's) business or reputation, or that might dilute or otherwise harm the value, reputation or distinctiveness of or the Purchaser's or its Affiliates' (including the Corporation's) goodwill in the Aralez Trademark (ii) register or file applications to register in any jurisdiction any trademark that consists of, incorporates, is confusingly similar to, or is a variation, derivation, modification or acronym of, the Aralez Trademark; or (iii) contest the ownership or validity of the Aralez Trademark, including in any litigation or administrative proceeding.

(e) Buyer may immediately terminate the limited license in this Section 6.21 if Vendor or its Affiliates fail to comply with the terms and conditions of this Section 6.21 or otherwise fail to comply with Buyer's reasonable directions in relation to the use of the Aralez Trademark.

ARTICLE 7
CONDITIONS OF CLOSING

Section 7.1 Conditions for the Benefit of the Purchaser.

The purchase and sale of the Purchased Shares is subject to the following conditions being satisfied on or prior to the Closing Date, which conditions are for the exclusive benefit of the Purchaser and may be waived (subject to applicable Law), in whole or in part, by the Purchaser in its sole discretion:

(a) **Truth of Representations and Warranties**. The representations and warranties of the Vendor and the Corporation contained in Section 4.1 (*Organization; Good Standing; Qualification*), Section 4.2 (*Authority and Enforceability*), Section 4.5 (*The Assets and Purchased Shares Generally*) and Section 4.27 (*Brokers and Finders*) must be true and correct (disregarding any "materiality", "Material Adverse Effect" or similar qualifications contained therein) in all material respects on the date hereof and as of the Closing with the same force and effect as if such representations and warranties were made on and as of such date (provided that if a representation and warranty speaks only as of a specific date it only need to be true and correct as of that date) and all other representations and warranties of the Vendor and the Corporation contained in this Agreement must be true and correct (disregarding any "materiality", "Material Adverse Effect" or similar qualifications contained therein) on the date hereof and as of the Closing with the same force and effect as if such representations and warranties were made on and as of such date (provided that if a representation and warranty speaks only as of a specific date it only needs to be true and correct as of that date), except where the failure of such representations and warranties to be so true and correct would not have, or be reasonably expected to have or lead to, a Material Adverse

Effect. The Vendor and the Corporation shall also have executed and delivered a certificate confirming the foregoing signed by a senior officer.

(b) **Performance of Covenants**. The Vendor and the Corporation must have fulfilled or complied, in all material respects, with all covenants contained in this Agreement required to be fulfilled or complied with each of them at or prior to the Closing. The Vendor and the Corporation shall also have executed and delivered a certificate confirming the foregoing signed by a senior officer.

(c) **Required Consents.** Either: (i) each of the Required Consents shall have been obtained; or (ii) the CCAA Court shall have granted such relief relating to the Required Consents as the Purchaser considers necessary in its sole and absolute discretion.

(d) **Material Adverse Effect**. Since the date of this Agreement, there shall not have occurred any Material Adverse Effect, or any event, result, effect, occurrence, fact, circumstance, development, condition or change that would reasonably be expected to result in a Material Adverse Effect.

(e) **Closing Deliveries**. The Purchaser must have received the following:

(i) a CCAA Court certified copy of each of the Bidding Procedures Order, the Approval Order and the Aralez Canada CCAA Termination Order;

(ii) the certificates referred to in Section 7.1(a) and Section 7.1(b);

(iii) the originals of the Books and Records;

(iv) resignations effective as of the Effective Time of each director and officer of the Corporation;

(v) releases from the Vendor and its Affiliates (other than the Corporation) of all claims they may have against the Corporation, or other documentation evidencing the settlement and release (including via set-off of any amounts owing by the Corporation to the Vendor of its other Affiliates) of all such claims, in a form acceptable to the Purchaser, acting reasonably;

(vi) the Purchased Shares duly endorsed to the Vendor;

(vii) each of the Ancillary Agreements to which the Vendor or any of its Affiliates is a party, validly executed by a duly authorized representative of the Vendor or its applicable Affiliate;

(viii) a receipt acknowledging receipt of the Closing Payment, in satisfaction of the Purchaser's obligations pursuant to Section 3.2, validly executed by a duly authorized representative of the Vendor;

(ix) evidence reasonably satisfactory to the Purchaser that a CCAA Court certified copy of the Monitor's Certificates will be delivered to the Purchaser forthwith following Closing;

(x) a duly executed copy of the Deerfield Release Letter by Deerfield;

(xi) evidence that the Purchased Shares are free and clear of all Liens as set out in the Approval Order; and

(xii) evidence of the consummation of the transactions contemplated by the Pre-Closing Reorganization.

(f) **No Illegality.** There shall not be in effect any applicable Law which enjoins or prohibits any of the transactions contemplated by this Agreement. No action shall have been commenced or threatened in writing against the Purchaser, the Vendor or the Corporation which seeks to restrain or prohibit any transaction contemplated hereby or the ability of the Purchaser to conduct the Purchased Business after the Closing in substantially the same manner as conducted before the Closing.

(g) **CCAA Orders.** The CCAA Court shall have entered each of the Court Orders, and each of the Court Orders shall be a Final Order. The Initial Order and the CCAA stay of proceedings shall be in full force and effect.

(h) **U.S. Asset Purchase Agreement.** The conditions set forth in Section 6.1 and Section 6.2 of the U.S. Asset Purchase Agreement (other than those conditions that by their terms are to be satisfied at Closing and the delivery of any deliverables of the Purchaser or its Affiliates) shall have been satisfied, or waived by the Purchaser or its Affiliates in their sole discretion, at or prior to Closing.

(i) **No Liens on Assets**. The Assets shall be free and clear of all Liens other than Permitted Liens, provided that the Parties hereto acknowledge and agree that this Section 7.1(i) shall, unless the Vendor has knowledge to the contrary, be satisfied by the satisfactory review by the Purchaser of customary lien searches against the Corporation pursuant to the *Personal Property Security Act* (Ontario), the *Personal Property Security Act* (British Columbia) and such other Canadian jurisdictions as the Purchaser may reasonably request.

(j) **TSX Conditional Approval**. The Toronto Stock Exchange shall have conditionally approved the Debt Financing on the terms set forth in the Commitment Letter, subject only to the satisfaction of the customary listing conditions of the Toronto Stock Exchange (which shall not include the requirement to obtain any approval of the shareholders of the Purchaser prior to Closing).

Section 7.2 Conditions for the Benefit of the Vendor.

The purchase and sale of the Purchased Shares is subject to the following conditions being satisfied on or prior to the Closing Date, which conditions are for the exclusive benefit of the Vendor and may be waived, in whole or in part, by the Vendor in its sole discretion:

(a) **Truth of Representations and Warranties.** The representations and warranties of the Purchaser contained in this Agreement must be true and correct (disregarding any "materiality" or similar qualifications contained therein) on the date hereof and as of the Closing with the same force and effect as if such representations and warranties were made on and as of such date (provided that if a representation and warranty speaks only as of a specific date it only needs to be true and correct as of that date), except where the failure of such representations and warranties to be so true and correct would not materially adversely affect the ability of the Purchaser to consummate the transactions contemplated hereby. The Purchaser shall also have executed and delivered a certificate confirming the foregoing, signed by a senior officer.

(b) **Performance of Covenants**. The Purchaser must have fulfilled or complied, in all material respects, with all covenants contained in this Agreement required to be fulfilled or complied with by it at or prior to the Closing. The Purchaser shall also have executed and delivered a certificate confirming the foregoing, signed by a senior officer.

(c) **Closing Deliveries**. The Vendor must have received the following:

(i) certified copies of (A) the charter documents and extracts from the by-laws of the Purchaser relating to the execution of documents, (B) all resolutions of the shareholders and the board of directors of the Purchaser, as applicable, approving the entering into and completion of the transactions contemplated by this Agreement and Ancillary Agreements, and (C) a list of its officers and directors authorized to sign this Agreement together with their specimen signatures;

(ii) a certificate of status, compliance, good standing or like certificate with respect to the Purchaser issued by appropriate government official of the jurisdiction of its incorporation;

(iii) the certificates referred to in Section 7.2(a) and Section 7.2(b);

(iv) each of the Ancillary Agreements to which the Purchaser or any of its Affiliates is a party, validly executed by a duly authorized representative of the Purchaser or its applicable Affiliate; and

(v) the Closing Payment in accordance with Section 3.2.

(d) **Deposit.** The Vendor shall have received a duly executed copy of an instruction letter from the Purchaser instructing the Escrow Agent to disburse

the Deposit (less the Purchase Price Adjustment Escrow Amount) at the Closing to the Monitor, on behalf of the Vendor, in immediately available funds to accounts designated at least two (2) Business Days prior to the Closing Date by the Vendor in a written notice to the Escrow Agent.

(e) **No Illegality.** There shall not be in effect any applicable Law which enjoins or prohibits any of the transactions contemplated by this Agreement. No action shall have been commenced or threatened in writing against the Purchaser, the Vendor or the Corporation, other than any such action relating to the CCAA Proceedings, which seeks to restrain or prohibit any transaction contemplated hereby.

(f) **CCAA Orders.** The CCAA Court shall have entered each of the CCAA Court Orders, and each of the CCAA Court Orders shall be in full force and effect.

(g) **U.S. Asset Purchase Agreement.** The conditions set forth in Section 6.1 and Section 6.3 of the U.S. Asset Purchase Agreement (other than those conditions that by their terms are to be satisfied at Closing and the delivery of any deliverables of the Vendor, the Corporation or its Affiliates) shall have been satisfied, or waived by the Vendor or its Affiliates in their sole discretion, at or prior to Closing.

ARTICLE 8
CLOSING

Section 8.1 Date, Time and Place of Closing.

The completion of the transaction of purchase and sale contemplated by this Agreement will take place at the offices of Stikeman Elliott LLP, Suite 5300, Commerce Court West, Toronto, Ontario, at 8:00 a.m. (Toronto Time) on the Closing Date or at such other place, on such other date and at such other time as may be agreed upon in writing between the Vendor and the Purchaser.

Section 8.2 Closing Procedures.

Subject to satisfaction or waiver by the relevant Party of the conditions of closing, on the Closing Date, the Vendor shall deliver actual possession of the Purchased Shares and upon such deliveries the Purchaser shall pay or satisfy the Purchase Price in accordance with Section 3.2. The transfer of the Purchased Shares shall be deemed to take effect at the Effective Time.

Section 8.3 Monitor's Certificates

The Parties hereby acknowledge and agree that the Monitor will be entitled to file the Monitor's Certificates with the CCAA Court without independent investigation upon receiving written confirmation from the Vendor and the Purchaser that all conditions to Closing set forth in Article 7 have been satisfied or waived, and the Monitor will have no liability to the Vendor or the Purchaser or any other Person as a result of filing the Monitor's Certificates or otherwise

in connection with this Agreement or the transactions contemplated hereunder (whether based on contract, tort or any other theory).

ARTICLE 9
TERMINATION

Section 9.1 Termination Rights.

This Agreement may, by notice in writing given prior to the Closing, be terminated:

(a) by the mutual written agreement of the Vendor and the Purchaser;

(b) by the Purchaser or the Vendor if there has been a material breach of this Agreement by the other Party such that the conditions of closing for the benefit of the non-breaching Party would not be satisfied (provided that the non-breaching Party is not also in breach of this Agreement so as to cause the conditions of Closing for the benefit of the other Party to not be satisfied), and such breach has not been cured within fifteen (15) days following notice of such breach by the non-breaching Party; provided that, for greater certainty, a failure by the Purchaser to provide, or cause to be provided, the Vendor with sufficient funds to complete the transactions contemplated by this Agreement at the time which the Closing should have occurred shall not be subject to this Section 9.1(b) and shall only be subject to Section 9.1(i), provided that such failure is not the result of a material breach of this Agreement by the Purchaser;

(c) by the Purchaser or the Vendor (i) if an Alternative Transaction is entered into other than in connection with an Auction, (ii) if there is an Auction, the Purchaser is not declared the Successful Bidder at the Auction and the Purchaser is not required to serve as the Back-up Bidder pursuant to Section 6.11(3), or (iii) if there is an Auction, Purchaser is not declared the Successful Bidder at the Auction and Purchaser is required to serve as the Back-up Bidder pursuant to Section 6.11(3); *provided*, that any termination pursuant to this clause (iii) shall not be effective until the earlier of the occurrence of the Outside Date or the consummation of an Alternative Transaction;

(d) by the Purchaser, if (i) the CCAA Court has not approved and entered the Bidding Procedures Order prior to 11:59 p.m. (prevailing Eastern Time) on the day that is 30 days following the date of this Agreement, (ii) the CCAA Court has not approved and entered the Approval Order and the Aralez Canada CCAA Termination Order prior to 11:59 p.m. (prevailing Eastern Time) on the day that is 50 days following the entry of the Bidding Procedures Order or such later date not later than three Business Days prior to the Outside Date, if such date is ordered by the CCAA Court or (iii) following entry of the Approval Order, the Bidding Procedures Order and the Aralez Canada CCAA Termination Order, such Order is stayed, reversed, modified, vacated or amended in such a way as to frustrate consummation of the transaction

contemplated by this Agreement or in a way that the Purchaser, acting reasonably, considers to be adverse to its ability to consummate the transactions contemplated by this Agreement and such stay, reversal, modification, vacation or amendment is not eliminated within 30 days;

(e) by Purchaser, if (i) the Vendor or the Corporation seeks to have the CCAA Court enter an Order (or consents to or does not oppose entry of an order) appointing a trustee, receiver or other Person responsible for operation or administration of the Vendor, the Corporation or their respective businesses or assets, or a responsible officer for any of the Vendor, the Corporation or an examiner with enlarged power relating to the operation or administration of the Vendor, the Corporation or their respective businesses or assets prior to Closing, or (ii) the CCAA Proceedings are terminated or a trustee in bankruptcy or receiver is appointed in respect of the Vendor or the Corporation or their respective businesses or assets prior to Closing, and such trustee in bankruptcy or receiver refuses or fails to confirm in writing to the Purchaser its agreement to proceed with the transactions contemplated by this Agreement within three (3) Business Days of their appointment;

(f) by the Purchaser or the Vendor if Closing has not occurred by the Outside Date, provided that such terminating Party is not in material breach of this Agreement at the time of such termination; provided, further, that (a) the Purchaser shall not have the right to terminate this Agreement pursuant to this Section 9.1(f) during the pendency of any Litigation brought prior to the Outside Date by the Vendor for specific performance of this Agreement (to the extent available pursuant to Section 11.12), and (b) the Vendor shall not have the right to terminate this Agreement pursuant to this Section 9.1(f) during the pendency of any Litigation brought before the Outside Date by the Purchaser for specific performance of this Agreement;

(g) by the Purchaser if the U.S. Asset Purchase Agreement is terminated;

(h) by the Vendor if the Deposit is not received by the Escrow Agent within five (5) Business Days the date of this Agreement as a result of the Purchaser's failure to comply with its obligations under Section 6.17; or

(i) by the Vendor if, (i) all of the conditions set forth in Section 7.1 are satisfied or waived by the Purchaser as of the Closing Date (other than those conditions that, by their nature, can only be satisfied as of the Closing Date, but which would be satisfied as of the Closing Date); (ii) the Vendor has irrevocably notified the Purchaser in writing that (A) it is ready, willing and able to consummate the transactions contemplated by this Agreement, and (B) all conditions set forth in Section 7.2 have been and continue to be satisfied (other than those conditions that, by their nature, can only be satisfied as of the Closing Date, but which would be satisfied as of the Closing Date) or that it is willing to irrevocably waive any unsatisfied conditions set forth in Section 7.2; (iii) the Vendor has given the Purchaser written notice at least two (2) Business Days prior to such termination stating the Vendor's intention to terminate this

Agreement pursuant to this Section 9.1(i); and (iv) the Purchaser does not provide, or cause to be provided, the Vendor with sufficient funds to complete the transactions contemplated by this Agreement at the time which the Closing should have occurred by the expiration of the two (2) Business Day period contemplated by clause (iii) hereof.

Section 9.2 Procedure and Effect of Termination.

(1) If a Party waives compliance with any of the conditions, obligations or covenants contained in this Agreement, the waiver will be without prejudice to any of its rights of termination in the event of non-fulfilment, non-observance or non-performance of any other condition, obligation or covenant in whole or in part. Termination of this Agreement by either the Vendor or the Purchaser shall be by delivery of a written notice to the other. Such notice shall state the termination provision in this Agreement that such terminating Party is claiming provides a basis for termination of this Agreement. Termination of this Agreement pursuant to the provisions of Section 9.1 shall be effective upon and as of the date of delivery of such written notice as determined pursuant to Section 11.1 .

(2) If this Agreement is terminated, the Parties are released from all of their obligations under this Agreement, except that each Party's obligations under Section 9.2(3), Section 9.3, Section 11.1, Section 11.3, Section 11.4, Section 11.5, Section 11.9 and Section 11.13, Section 11.14 will survive such termination.

(3) As soon as practicable following a termination of this Agreement for any reason, but in no event more than 30 days after such termination, the Purchaser and the Vendor shall, to the extent practicable, withdraw all filings, applications and other submissions relating to the transactions contemplated by this Agreement filed or submitted by or on behalf of such Party, any Governmental Entity or other Person.

(4) Notwithstanding anything to the contrary in this Agreement, the Purchaser shall only be entitled to exercise its applicable termination rights pursuant to Section 9.1(d) as a result of the failure of the CCAA Court to grant a priority charge with respect to the Termination Fee and Expense Reimbursement as required by Section 6.11(1)(iii), if the Purchaser has provided written notice of the exercise of such right of termination within five (5) Business Days of the issuance of the Bidding Procedures Order.

Section 9.3 Termination Fee, Expense Reimbursement and Deposit.

(1) In the event that:

(a) this Agreement is terminated by the Vendor or the Purchaser, as applicable, in accordance with (i) Section 9.1(c), (ii) Section 9.1(f) if any of the Vendor's actions or failures to fulfill any obligation under this Agreement has contributed to the failure of the Closing to occur on or before the Outside Date, and such actions or failures to perform constituted a breach of this Agreement in any material respect, (iii) Section 9.1(b) by the Purchaser, Section 9.1(d)(ii), Section 9.1(d)(iii), or Section 9.1(e), (iv) Section 9.1(g) (if a

termination fee and expense reimbursement are payable under the U.S. Asset Purchase Agreement as a result of the termination thereof), or (v) any other termination of this Agreement at a time when this Agreement was terminable under any of the circumstances set forth under subsections (i), (ii), (iii) or (iv) of this Section 9.3(1)(a), then in any of such cases, the Vendor and the Corporation shall pay the Purchaser by wire transfer of immediately available funds to the account specified by the Purchaser to the Vendor in writing, the Termination Fee and Expense Reimbursement, and the Vendor, the Corporation and the Purchaser agree that neither the Expense Reimbursement nor the Termination Fee is a penalty, but rather is liquidated damages in a reasonable amount that will compensate the Purchaser for the time and effort associated with initial due diligence and negotiation of this Agreement and the opportunities foregone while negotiating this Agreement and in reliance on this Agreement and on the expectation of the consummation of the transactions contemplated herein. If this Agreement is terminated pursuant to clause (i) above, the Termination Fee and Expense Reimbursement shall be paid by the earlier of twenty-one (21) days after such termination and the date an Alternative Transaction is consummated. If this Agreement is terminated pursuant to clause (ii), (iii), (iv) or (v) above, the Termination Fee and Expense Reimbursement shall be paid within three (3) Business Days of the date of such termination; or

(b) this Agreement is otherwise terminated by the Purchaser in accordance with Section 9.1(d)(i), Section 9.1(f) (other than as a result of the failure of the Vendor to satisfy or waive the condition set out in Section 7.1(j)), or Section 9.1(g) (if expense reimbursement is payable under the U.S. Asset Purchase Agreement as a result of the termination thereof), then Vendor and the Corporation shall promptly (and in any event within three (3) Business Days of such event) pay the Purchaser by wire transfer of immediately available funds to the account specified by the Purchaser to Vendor in writing, and the Purchaser shall be deemed to have earned, the Expense Reimbursement, which shall be paid within three (3) Business Days of the date of such termination.

(c) The Vendor agrees and acknowledges that the Purchaser's due diligence, efforts, negotiation, and execution of this Agreement have involved substantial investment of management time and have required significant commitment of financial, legal, and other resources by the Purchaser and its Affiliates and that such due diligence, efforts, negotiation, and execution have provided value to the Vendor.

(2) If this Agreement is terminated by the Vendor pursuant to Section 9.1(b), the Purchaser shall direct the Escrow Agent to disburse the Deposit to the Monitor in accordance with the terms of the Escrow Agreement. Upon any termination of this Agreement (other than termination by the Vendor pursuant to Section 9.1(b), the Vendor shall direct the Escrow Agent to disburse the Deposit to the Purchaser in accordance with the terms of the Escrow Agreement.

(3) The Parties acknowledge and agree that the terms and conditions set forth in this Section 9.3 with respect to the payment of the Termination Fee and Expense Reimbursement are subject to the CCAA Court entering the Bidding Procedure Order, it being understood that the Purchaser may terminate this Agreement if the CCAA Court does not approve the Termination Fee and Expense Reimbursement contemplated hereby (including the contemplated priority charge in respect thereof), in which case the Deposit (plus all accrued interest or earnings thereon) shall be forthwith returned to the Purchaser. The Parties acknowledge that the agreements contained in this Section 9.3 are commercially reasonable and an integral part of the transactions, and that without these agreements, the Parties would not enter into this Agreement and consummate the transactions contemplated hereby. For the avoidance of doubt, but subject to Section 10.2, the covenants set forth in this Section 9.3 are continuing obligations, separate and independent from the other obligations of the Parties expressly set forth in this Agreement (and shall not limit the Parties' other rights expressly set forth in this Agreement), and survive termination of this Agreement. The Vendor and the Corporation shall be jointly and severally liable for payment of the Termination Fee and the Expense Reimbursement to the Purchaser.

ARTICLE 10
NO SURVIVAL OF REPRESENTATIONS, WARRANTIES AND PRE-CLOSING COVENANTS

Section 10.1 No Survival.

The representations and warranties of the Parties and the covenants and agreements of the Parties that are to be performed prior to the Closing, whether contained in this Agreement or in any agreement or document delivered pursuant to this Agreement or any Ancillary Agreement, shall not survive beyond the Closing and there shall be no liability following the Closing in respect thereof, whether such liability has accrued prior to or after the Closing, on the part of any Party or any of its officers, directors, equity holders, managers, agents or Affiliates; provided, however, that this Section 10.1 shall not limit (a) any covenant or agreement of the parties that by its terms contemplates performance after the Closing, and such covenants or agreements shall survive until fully performed, and (b) any recovery by any Person in the case of fraud or willful breach.

Section 10.2 No Recourse.

(1) Except to the extent otherwise expressly provided in Section 11.12, the Purchaser's sole and exclusive remedy (a) for a breach of any representation or warranty made by the Vendor or the Corporation herein or in any document delivered pursuant hereto or (b) for a breach of any covenant made by the Vendor or the Corporation herein or in any document delivered pursuant hereto and required to be performed by the Vendor or the Corporation on or prior to the Closing, shall, in either case, be limited to the Purchaser's right to terminate this Agreement to the extent permitted pursuant to Section 9.1, in which case the Vendor and the Corporation shall not have any liability except to the extent expressly provided in Section 9.3.

(2) Except to the extent otherwise expressly provided in Section 11.12, the Vendor's sole and exclusive remedy (a) for a breach of any representation or warranty made by the Purchaser herein or in any document delivered pursuant hereto or (b) for a breach of any covenant made by the Purchaser herein or in any document delivered pursuant hereto and required to be performed by the Purchaser on or prior to the Closing, shall, in either case, be limited to the Vendor's right to terminate this Agreement to the extent permitted pursuant to Section 9.1(b) and to receive the Deposit pursuant to Section 9.3(2), in which case the Purchaser shall not have any further liability of any kind (whether in equity or at Law, in Contract, in tort or otherwise).

ARTICLE 11
MISCELLANEOUS

Section 11.1 Notices.

Any notice, direction or other communication given regarding the matters contemplated by this Agreement or any Ancillary Agreement (each a "**Notice**") must be in writing, sent by personal delivery, courier or e-mail (with a delivery confirmation requested) and addressed:

(a) to the Vendor at:

Aralez Pharmaceuticals Inc.
7100 West Credit Avenue
Suite 101
Mississauga, Ontario L5N 0E4

Attention: Adrian Adams
Telephone: (610) 724-3974
Email: aadams@aralez.com

with a copy to:

Stikeman Elliott LLP
5300 Commerce Court West
199 Bay Street
Toronto ON M5L 1B9

Attention: Jonah Mann
Telephone: (416) 869-5518
Email: jmann@stikeman.com

and with a copy to:

Willkie Farr & Gallagher LLP
787 Seventh Avenue
New York NY 10019-6099

Attention: Adam M. Turteltaub
Telephone: (212) 728-8593
Email: aturteltaub@willkie.com

(b) to the Purchaser at:

Nuvo Pharmaceuticals Inc.
6733 Mississauga Road, Unit 610
Mississauga, Ontario
Canada L5N 6J5

Attention: Jesse Ledger
Telephone: (905) 673-4276
Email: jledger@nuvopharm.com

with a copy to:

Goodmans LLP
333 Bay Street, Suite 3400
Toronto ON M5H 2S7

Attention: Robert Vaux and Chris Sunstrum
Telephone: (416) 597-6265 and (416) 597-4270
Email: rvaux@goodmans.ca; csunstrum@goodmans.ca

A Notice is deemed to be given and received (i) if sent by personal delivery or courier, on the date of delivery if it is a Business Day and the delivery was made prior to 4:00 p.m. (local time in place of receipt) and otherwise on the next Business Day, or (ii) if sent by e-mail, on the Business Day following the date of confirmation of delivery by delivery request confirmation. A Party may change its address for service from time to time by providing a Notice in accordance with the foregoing. Any subsequent Notice must be sent to the Party at its changed address. Any element of a Party's address that is not specifically changed in a Notice will be assumed not to be changed. Sending a copy of a Notice to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the Notice to that Party. The failure to send a copy of a Notice to legal counsel does not invalidate delivery of that Notice to a Party.

Section 11.2 Time of the Essence.

Time is of the essence in this Agreement.

Section 11.3 Announcements.

No press release, public statement or announcement or other public disclosure (a "**Public Statement**") with respect to this Agreement or the transactions contemplated in this Agreement may be made except (a) with the prior written consent and joint approval of the Vendor and the Purchaser, or (b) if required by Law, the CCAA Proceedings or a Governmental Entity. Where the Public Statement is required by Law, the CCAA Proceedings or a Governmental Entity, the Party required to make the Public Statement will use its commercially reasonable efforts to consult with the other Parties, and consider in good faith any revisions proposed by the other Parties, prior to making such disclosure, and shall limit such disclosure to only that information which is legally required to be disclosed.

Section 11.4 Third Party Beneficiaries.

The Vendor and the Purchaser intend that this Agreement will not benefit or create any right or cause of action in favour of any Person, other than the Parties. No Person, other than the Parties, is entitled to rely on the provisions of this Agreement in any action, suit, proceeding, hearing or other forum. The Parties reserve their right to vary or rescind the rights at any time and in any way whatsoever, if any, granted by or under this Agreement to any Person who is not a Party, without notice to or consent of that Person.

Section 11.5 Costs and Expenses.

Except as otherwise expressly provided in this Agreement, each Party will pay for their own costs and expenses incurred (and in the case of the Corporation, incurred prior to the Effective Time) in connection with this Agreement and the Ancillary Agreements, and the transactions contemplated hereby and thereby (the "**Transaction Expenses**"). The costs and expenses referred to in this Section are those which are incurred in connection with the negotiation, preparation, execution and performance of this Agreement and the Ancillary Agreements, and the transactions contemplated hereby and thereby, including the fees and expenses of legal counsel, investment advisers, accountants and other professionals.

Section 11.6 Amendments.

This Agreement may only be amended, supplemented or otherwise modified by written agreement signed by the Vendor, the Corporation and the Purchaser.

Section 11.7 Waiver.

No waiver of any of the provisions of this Agreement will constitute a waiver of any other provision (whether or not similar). No waiver will be binding unless executed in writing by the Party to be bound by the waiver. A Party's failure or delay in exercising any right under this Agreement will not operate as a waiver of that right. A single or partial exercise of any right

will not preclude a Party from any other or further exercise of that right or the exercise of any other right.

Section 11.8 Non-Merger.

Except as otherwise expressly provided in this Agreement, the covenants, representations and warranties shall not merge on and shall survive the Closing.

Section 11.9 Entire Agreement.

This Agreement, together with the Ancillary Agreements, the U.S. Asset Purchase Agreement and the Confidentiality Agreement, collectively constitute the entire agreement between the Parties with respect to the transactions contemplated by this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties with respect to such transactions. There are no representations, warranties, covenants, conditions or other agreements, express or implied, collateral, statutory or otherwise, between the Parties in connection with the subject matter of this Agreement, except as specifically set forth in this Agreement, the Ancillary Agreements, the U.S. Asset Purchase Agreement and the Confidentiality Agreement. The Parties have not relied and are not relying on any other information, discussion or understanding in entering into and completing the transactions contemplated by this Agreement.

Section 11.10 Successors and Assigns.

(1) This Agreement becomes effective only when executed by the Vendor, the Corporation and the Purchaser. After that time, it will be binding upon and enure to the benefit of the Vendor, the Purchaser and their respective heirs, administrators, executors, legal representatives, successors and permitted assigns.

(2) Neither this Agreement nor any of the rights or obligations under this Agreement may be assigned or transferred, in whole or in part, by any Party without the prior written consent of the other Parties; provided, however, that the Purchaser shall be permitted, upon prior written notice to the Vendor, to assign all or part of its rights or obligations hereunder to an Affiliate; provided the Purchaser remains jointly and severally liable for the performance of its obligations under this Agreement. Notwithstanding the foregoing, the Purchaser may collaterally assign any of its rights under this Agreement or the Ancillary Agreements to lenders to the Purchaser and its Affiliates, including Deerfield, as security for borrowings without the consent of any Party hereto.

Section 11.11 Severability.

If any provision of this Agreement is determined to be illegal, invalid or unenforceable by an arbitrator or any court of competent jurisdiction, that provision will be severed from this Agreement and the remaining provisions shall remain in full force and effect.

Section 11.12 Equitable Relief.

(1) The Parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that, subject to the provisions of this Section 11.12, a Party shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement (including the Purchaser's covenants to obtain the Debt Financing as contemplated by Section 6.14) in any court of Canada or any state having jurisdiction. Each Party hereby waives (a) any requirement that the other Party post a bond or other security as a condition for obtaining any such relief, and (b) any defenses in any action for specific performance, including the defense that a remedy at law would be adequate.

(2) Notwithstanding anything to the contrary contained herein, it is explicitly agreed that the Vendor's right to enforce the Purchaser's covenants to obtain the Debt Financing as contemplated by Section 6.14, or to otherwise take any action to consummate the transactions contemplated by this Agreement, shall only be available if (a) all conditions in Section 7.1 have been satisfied or waived by the Purchaser as of the Closing Date (other than those conditions that, by their nature, can only be satisfied as of the Closing Date, but which would be satisfied as of the Closing Date) and the Purchaser fails to consummate the transactions contemplated by this Agreement on the Closing Date; and (ii) the Vendor has irrevocably confirmed in writing to the Purchaser in writing that (A) if specific performance is granted and the Debt Financing is funded, it is ready, willing and able to consummate the transactions contemplated by this Agreement, and (B) all conditions set forth in Section 7.2 have been and continue to be satisfied (other than those conditions that, by their nature, can only be satisfied as of the Closing Date, but which would be satisfied as of the Closing Date) or that it is willing to irrevocably waive any unsatisfied conditions set forth in Section 7.2. In no event will the Vendor or the Corporation be entitled to enforce or seek to enforce specifically the Purchaser's obligation to consummate the transactions contemplated by this Agreement if the Debt Financing has not been funded (or will not be funded at the Closing).

(3) Each Party hereby agrees not to raise any objections to the availability of equitable remedies to the extent provided for herein, and the Parties further agree that nothing set forth in this Section 11.12 shall require any Party hereto to institute any proceeding for (or limit any Party's right to institute any proceeding for) specific performance under this Section 11.12 prior or as a condition to exercising any termination right under this Agreement, nor shall the commencement of any legal action or legal proceeding pursuant to this Section 11.12 or anything set forth in this Section 11.12 restrict or limit any Party's right to terminate this Agreement in accordance with the terms hereof.

Section 11.13 No Liability

No director or officer of the Purchaser shall have any personal liability whatsoever to the Vendor under this Agreement or any other document delivered in connection with the transactions contemplated hereby on behalf of the Purchaser. No director or officer of the Vendor shall have any personal liability whatsoever to the Purchaser under this Agreement or

any other document delivered in connection with the transactions contemplated hereby on behalf of the Vendor.

Section 11.14 Governing Law.

(1) This Agreement is governed by and will be interpreted and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

(2) Each Party irrevocably attorns and submits to the exclusive jurisdiction of the CCAA Court and waives objection to the venue of any proceeding in such court or that such court provides an inappropriate forum; provided however, that if the CCAA Proceedings are closed or the CCAA Court refuses to exercise jurisdiction, the parties agree to unconditionally and irrevocably submit to the exclusive jurisdiction of the Ontario courts situated in the City of Toronto (and any appellate courts therefrom).

Section 11.15 Counterparts.

This Agreement may be executed in any number of counterparts, each of which is deemed to be an original, and such counterparts together constitute one and the same instrument. Transmission of an executed signature page by facsimile, email or other electronic means is as effective as a manually executed counterpart of this Agreement.

Section 11.16 Rules of Construction.

The Parties waive the application of any Laws or rule of construction providing that ambiguities in this Agreement shall be construed against the Party drafting this Agreement.

Section 11.17 Deerfield Related Matters.

Notwithstanding anything to the contrary contained in this Agreement, each of the Parties: (i) agrees that it will not bring or support any person in any action, suit, proceeding, cause of action, claim, cross-claim or third-party claim of any kind or description, whether in law or in equity, whether in contract or in tort or otherwise, against Deerfield (which defined term for the purposes of this Section 11.17 shall include Deerfield and its affiliates, equityholders, members, partners, officers, directors, managers, principals, employees, agents, advisors and representatives involved in the financing contemplated by the Commitment Letter) in any way relating to this Agreement or any of the transactions contemplated by this Agreement, including, but not limited to, any dispute arising out of or relating in any way to the Commitment Letter or the performance thereof or the financings contemplated thereby, in any forum other than state and federal courts sitting in the City of New York, borough of Manhattan; (ii) agrees that, except as specifically set forth in the Commitment Letter, all claims or causes of action (whether at law, in equity, in contract, in tort or otherwise) against Deerfield in any way relating to the Commitment Letter or the performance thereof or the financings contemplated thereby, shall be exclusively governed by, and construed in accordance with, the internal laws of the State of New York, without giving effect to principles or rules or conflict of laws to the extent such principles or rules would require or permit the application of laws of another jurisdiction; and (iii) hereby irrevocably and unconditionally waives any right such

party may have to a trial by jury in respect of any litigation (whether in law or in equity, whether in contract or in tort or otherwise) directly or indirectly arising out of or relating in any way to the Commitment Letter or the performance thereof or the financings contemplated thereby. Notwithstanding anything to the contrary contained in this Agreement, (a) the Vendor, Corporation and their respective subsidiaries, affiliates, directors, officers, employees, agents, partners, managers, members or stockholders shall not have any rights or claims against Deerfield, in any way relating to this Agreement or any of the transactions contemplated by this Agreement, or in respect of any, or in respect of any oral representations made or alleged to have been made in connection herewith or therewith, including any dispute arising out of or relating in any way to the Commitment Letter or the performance thereof or the financings contemplated thereby, whether at law or equity, in contract, in tort or otherwise and (b) Deerfield shall not have any liability (whether in contract, in tort or otherwise) to any of Vendor, Corporation and their respective subsidiaries, affiliates, directors, officers, employees, agents, partners, managers, members or stockholders for any obligations or liabilities of any party hereto under this Agreement or for any claim based on, in respect of, or by reason of, the transactions contemplated hereby and thereby or in respect of any oral representations made or alleged to have been made in connection herewith or therewith, including any dispute arising out of or relating in any way to the Commitment Letter or the performance thereof or the financings contemplated thereby, whether at law or equity, in contract, in tort or otherwise. Notwithstanding anything to the contrary contained in this Agreement, (x) Deerfield is an intended third-party beneficiary of, and shall be entitled to the protections of this Section 11.17 and (y) this Section 11.17 shall not be amended without the prior written consent of Deerfield.

[Remainder of page intentionally left blank. Signature pages follow.]

IN WITNESS WHEREOF the Parties have executed this Share Purchase Agreement.

PURCHASER:

NUVO PHARMACEUTICALS INC.

By: _____
Authorized Signing Officer

VENDOR:

ARALEZ PHARMACEUTICALS INC.

By: _____
Authorized Signing Officer

CORPORATION:

ARALEZ PHARMACEUTICALS CANADA INC.

By: _____
Authorized Signing Officer

IN WITNESS WHEREOF the Parties have executed this Share Purchase Agreement.

PURCHASER:

NUVO PHARMACEUTICALS INC.

By: _____
Authorized Signing Officer

VENDOR:

ARALEZ PHARMACEUTICALS INC.

By: Adrian Adams
Authorized Signing Officer

CORPORATION:

ARALEZ PHARMACEUTICALS CANADA INC.

By: _____
Authorized Signing Officer

IN WITNESS WHEREOF the Parties have executed this Share Purchase Agreement.

PURCHASER: **NUVO PHARMACEUTICALS INC.**

By: _____
Authorized Signing Officer

VENDOR: **ARALEZ PHARMACEUTICALS INC.**

By: _____
Authorized Signing Officer

CORPORATION: **ARALEZ PHARMACEUTICALS CANADA INC.**

By: _____
Authorized Signing Officer

Exhibit "A"
Representations and Warranties of the Vendor and the Corporation

Section 4.1 ORGANIZATION; GOOD STANDING; QUALIFICATION

Each of the Vendor and the Corporation is a corporation duly incorporated, organized or formed, validly existing and in good standing under the Laws of its jurisdiction of organization, and has the requisite corporate and legal power, authority and capacity to own, lease and operate its property and assets now owned or leased and to carry on the portion of the Purchased Business that it conducts as it is now being carried on. Neither the Vendor nor the Corporation has been discontinued or dissolved under the Laws of its respective jurisdiction of organization and no steps or proceedings have been taken to authorize or require such discontinuance or dissolution. Each of the Vendor and the Corporation is duly qualified to carry on business in each jurisdiction in which the nature or character of the respective properties and assets owned, leased or operated by it, including for greater certainty, the Assets or the nature of its business or activities, including for greater certainty, the operation of the portion of the Purchased Business that it conducts, makes such qualification necessary, except where the failure to be so qualified would not reasonably be expected to have a Material Adverse Effect. The Vendor has provided to the Purchaser true, complete and correct copies of the constituent documents of each of the Vendor and the Corporation, in each case as amended.

Section 4.2 AUTHORITY AND ENFORCEABILITY

Each of the Vendor and the Corporation has the requisite corporate power, authority and capacity to enter into this Agreement and the Ancillary Agreements to which it is or will be a party and, subject to the Bidding Procedures Order and Approval Order, to perform its respective obligations hereunder or thereunder and to complete the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and each Ancillary Agreement to which it is or will be a party, the performance of the obligations hereunder or thereunder and the completion of the transactions contemplated hereby or thereby have been, or will be at or prior to Closing, duly authorized by all necessary corporate action on the part of each of the Vendor and the Corporation. This Agreement and each of the Ancillary Agreements to which each of the Vendor and the Corporation is or will be a party, have been, or will be at or prior to Closing, duly executed and delivered by each of the Vendor and the Corporation and, subject to the CCAA Court (or other court of competent jurisdiction) entry of the Approval Order, constitute or will constitute a legal, valid and binding obligation of each of the Vendor and the Corporation, enforceable against each of them in accordance with its terms, in each case to the extent applicable, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium and other similar Laws relating to limitations of actions or affecting the availability of equitable remedies and the enforcement of creditors' rights generally and by general principles of equity.

Section 4.3 AUTHORIZATIONS AND CONSENTS

Except for the entry of the Bidding Procedures Order and the Approval Order or as set forth in Section 4.3 of the Disclosure Letter, no material Authorization, consent, approval, waiver, notification or filing is required on the part of the Vendor or the Corporation for the execution and delivery by the Vendor or the Corporation of this Agreement, the performance

by the Vendor or the Corporation of its obligations hereunder and the completion of the transactions contemplated by this Agreement.

Section 4.4 NO VIOLATION

Except as set forth in Section 4.4 of the Disclosure Letter, the execution and delivery by the Vendor or the Corporation of this Agreement, the performance by the Vendor or the Corporation of its obligations hereunder and the completion of the transactions contemplated by the Agreement do not and will not: (i) result in a material violation of any Law; (ii) result in a breach of, or conflict with, the constituent documents of the Vendor or the Corporation; (iii) result in a breach of, or allow any Person to exercise any rights under, or result in the loss of any rights or the imposition of obligations under, any Material Contract or material Authorization to which the Vendor or the Corporation is a party, in each case, which is material to the Purchased Business taken as a whole; or (iv) result in the suspension or alteration in the terms of any material Authorization held by the Corporation or in the creation of any Lien upon any of the Vendor's or the Corporation's properties or assets other than any Liens created solely as a result of the acquisition by the Purchaser of the Corporation or in connection with the Debt Financing.

Section 4.5 THE ASSETS AND PURCHASED SHARES GENERALLY

(1) Except as set forth in Section 4.5 of the Disclosure Letter, the Corporation owns or has valid rights to the Assets, free and clear of all Liens, except for Permitted Liens.

(2) Except as set forth in Section 4.5 of the Disclosure Letter, no other Person owns any assets that are material to the Purchased Business in substantially the same manner as conducted by Corporation before Closing except for the Real Property Leases listed in Section 4.12 of the Disclosure Letter, personal property leased by the Corporation, Intellectual Property and computer software and programs licensed to the Corporation and products sold pursuant to distribution or similar contracts with the Corporation.

(3) The Vendor legally and beneficially owns and controls and has good and marketable title to the Purchased Shares, free and clear of all Liens other than Permitted Liens.

(4) Except as set forth in Section 4.5 of the Disclosure Letter, the Assets, and the Corporation's rights with respect to such Assets, are sufficient for the continued conduct of the Purchased Business after the Closing in substantially the same manner as conducted before the Closing and constitute all of the rights, property and assets necessary to conduct the Purchased Business as currently conducted in the Ordinary Course.

Section 4.6 NO MATERIAL DISPOSALS

Since December 31, 2017, neither the Vendor nor the Corporation has sold or otherwise disposed of any assets that are material to the Purchased Business.

Section 4.7 FINANCIALS

(1) The Vendor Financials set out on Section 4.7 of the Disclosure Letter have been prepared and maintained in accordance with U.S. GAAP applied on a consistent basis and in accordance with all applicable Laws. The Vendor Financials present fairly, in all material respects, the balance sheets and statements of income of the Vendor as of the respective dates thereof and for the respective periods set forth therein.

(2) The Vendor has designed such internal controls over financial reporting, or caused them to be designed under the supervision of the Chief Executive Officer and Chief Financial Officer of the Vendor to provide reasonable assurance (a) that material information relating to the Vendor is made known to its Chief Executive Officer and Chief Financial Officer by others within the Vendor, and (b) regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP. To the knowledge of the Vendor: (i) there have been no significant deficiencies in the design or operation of, or material weaknesses in, the internal controls over financial reporting of the Vendor that are reasonably likely to adversely affect the Vendor's ability to record, process, summarize and report financial information, and (ii) there is and has been no fraud, whether or not material, involving management or any other employees who have a significant role in the internal control over financial reporting of the Vendor. To the knowledge of the Vendor, the Vendor has received no (x) written complaints from any source regarding accounting, internal accounting controls or auditing matters or (y) written reports from employees of the Vendor regarding questionable accounting or auditing matters.

(3) The Corporation Financial Information has been prepared in good faith based on U.S. GAAP, applied on a consistent basis and has been compiled from the Books and Records and in good faith by the Corporation and does not contain any misrepresentations (within the meaning of the *Securities Act* (Ontario)).

(4) Except as set forth in Section 4.7(4) of the Disclosure Letter, the Corporation has no material liability or obligation of any nature (whether accrued, absolute, contingent or otherwise) other than (i) liabilities and obligations disclosed in the Corporation Financial Information, and (ii) liabilities and obligations not reflected in the Corporation Financial Information that were incurred in the Ordinary Course.

(5) Except as set forth in Section 4.7(5) of the Disclosure Letter, the Corporation does not have any Indebtedness.

Section 4.8 CAPITALIZATION OF THE CORPORATION

(1) The authorized capital of the Corporation consists of an unlimited number of common shares and an unlimited number of preferred shares, of which one (1) common share is issued and outstanding and constitutes the Purchased Shares. All of the Purchased Shares have been duly authorized, are validly issued, fully paid and non-assessable, and the Vendor is the registered and beneficial owner of the Purchased Shares, free and clear of all Liens other than Permitted Liens.

(2) There are no outstanding or authorized options, warrants, convertible securities or other rights, agreements, arrangements or commitments of any character relating to the shares of the Corporation or obligating the Corporation or the Vendor to issue or sell any shares of, or any other interest in, the Corporation. The Corporation does not have any outstanding or authorized share appreciation, phantom share, profit participation or similar rights. There are no voting trusts or agreements, pooling agreements, unanimous shareholder agreements, other shareholder agreements, proxies or other agreements or understandings in effect with respect to the voting or transfer of any of the Purchased Shares.

(3) All of the Purchased Shares were issued in compliance with all applicable Laws. The Purchased Shares were not issued in violation of any agreement, arrangement or commitment to which the Vendor or the Corporation is a party or is subject to or in violation of any pre-emptive or similar rights of any Person.

(4) Upon consummation of the transactions contemplated by this Agreement and the Ancillary Agreements, the Purchaser shall own all of the Purchased Shares, free and clear of all Liens, other than those Liens arising from acts of the Purchaser from and after Closing.

(5) As of the Closing, the Corporation will not own, or have any interest in, any shares or have another ownership interest in any other Person.

Section 4.9 ABSENCE OF CERTAIN CHANGES

Except as set forth in Section 4.9 of the Disclosure Letter, since December 31, 2017, (i) no result, fact, change, effect, event, circumstance, occurrence or development has occurred or arisen which has had or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (ii) the Corporation has conducted the Purchased Business in all material respects in the Ordinary Course; and (iii) neither the Vendor nor the Corporation has taken any of the actions that would be prohibited by Section 6.1 during the Interim Period.

Section 4.10 COMPLIANCE WITH LAWS

The Purchased Business has been and is currently being conducted in compliance, in all material respects, with all applicable Laws and Regulatory Guidelines. Since February 6, 2016, neither the Vendor nor the Corporation has received any written notice of any actual or alleged material non-compliance or violation of any Laws or Regulatory Guidelines in connection with the ownership of the Assets, the Exploitation of the Products or the operation of the Purchased Business.

Section 4.11 LITIGATION

Section 4.11 of the Disclosure Letter sets forth a list of all actions and proceedings to which the Corporation is a party, or that relates to any of the Assets or the Purchased Business as of the date of this Agreement. Except as set forth in Section 4.11 of the Disclosure Letter, there is no action or proceeding against or involving the Corporation, or that relates to the Assets or the Purchased Business (whether in progress, pending or, to the knowledge of the Vendor,

threatened) that, individually or in the aggregate, if adversely determined, would reasonably be expected to prevent or significantly impede or materially delay the completion of the transactions contemplated by the Agreement or the ability of the Purchaser to conduct the Purchased Business after the Closing in substantially the same manner as conducted before the Closing.

Section 4.12 REAL PROPERTY

(1) Section 4.12 of the Disclosure Letter contains a list of all agreements (including, without limitation, leases, subleases, rental, license, occupancy, and warehousing agreements) granting the Corporation the right to occupy and utilize leased real property in connection with the Purchased Business (the "**Real Property Leases**") as tenant. Each of the Real Property Leases is a valid leasehold, sublease interest or comparable right, enforceable against the tenant thereunder in accordance with its terms. Except as set forth in Section 4.12 of the Disclosure Letter the Corporation is not the owner of, nor is subject to any agreement or option to own, any real property or any interest in any real property.

(2) With respect to each Real Property Lease:

(a) all obligations of the applicable tenant have been duly observed and performed in all material respects, including payment of all rents and additional rents due and payable thereunder, subject to customary year-end adjustments; and

(b) the Corporation, nor to the knowledge of the Vendor, any other party to a Real Property Lease, is in material breach, or has received notice of an alleged material breach of, any covenant, condition or obligation contained therein.

Section 4.13 CONTRACTS

(1) Except as set forth in Section 4.13 of the Disclosure Letter, as of the date of this Agreement, the Corporation is not a party to or bound by any of the following types of Contract (other than an Employment Contract or an Employee Plan) (each of the following types of Contracts, a "**Material Contract**"):

(a) any Contract which is both (A) reasonably expected to involve the payment or receipt in 2018 or any subsequent calendar year of an amount in excess of $250,000, and (B) not terminable by the Corporation without liability on three (3) months' notice or less;

(b) any credit agreement, loan agreement, indenture, note, mortgage, security agreement, loan commitment, guarantee or other Contract relating to the indebtedness of the Corporation or creating a Lien relating thereto in an amount in excess of $250,000;

(c) any real property lease, rental or occupancy agreement under which the Corporation continues to have obligations or rights;

(d) any Contract pursuant to which the Corporation (i) is granted or obtains or agrees to obtain any right or license to use any material Intellectual Property, (ii) is restricted in its right to use or register any material Intellectual Property owned by the Corporation, or (iii) grants, or agrees to grant, to any other Person any right or license to use, obtain, enforce or register any material Intellectual Property owned by the Corporation, including any license agreements, option agreements and covenants not to sue;

(e) any Contract entered into since December 31, 2015: (i) relating to the merger, consolidation, reorganization, liquidation, dissolution or any similar extraordinary transaction with respect to the Corporation, or (ii) relating to a material acquisition or disposition of the assets or properties by the Corporation;

(f) any Contract relating to any partnership, strategic alliance or joint venture or similar arrangement;

(g) any Contract with a Governmental Entity;

(h) any Contract with an officer, director, employee, shareholder or any other Person not dealing at arm's length with the Corporation (within the meaning of the Tax Act) except for Employment Contracts or Employment Plans;

(i) any Contract requiring the payment by the Corporation of a material royalty, override or similar commission; and

(j) a Contract that is otherwise material to the Corporation or the Purchased Business.

(2) True, correct and complete copies of each Material Contract in effect on the date hereof that has not been part of the Vendor Public Disclosure Record have been provided or otherwise made available to the Purchaser.

(3) Neither the Corporation, nor to the knowledge of the Vendor, any of the other parties thereto, is in material breach or violation of, is in material default under, or failed to perform any act which could result in a material default under (in each case, with or without notice or lapse of time or both), any Material Contract, and the Corporation has not received or given any notice of actual or alleged default under, or actual or threatened termination of, any Material Contract. To the knowledge of the Vendor, there exists no state of facts which, after notice or lapse of time or both, would constitute a material default under or material breach or violation of any Material Contract or the inability of a party to any Material Contract to perform its obligations thereunder in all material respects. To the knowledge of the Vendor, no Person has challenged in writing the validity or enforceability of any Material Contract.

Section 4.14 TAXES

(1) Except as set forth in Section 4.14 of the Disclosure Letter, the Corporation (and to the extent applicable, the predecessor entity MFI) has duly and timely made or prepared all

material Tax Returns required to be made or prepared by it, has duly and timely filed all material Tax Returns required to be filed by it with the appropriate Governmental Entity and has completely and correctly reported all income and all other amounts or information required to be reported thereon.

(2) Except as set forth in Section 4.14 of the Disclosure Letter, the Corporation (and to the extent applicable, the predecessor entity MFI) has: (A) duly and timely paid all material Taxes due and payable by it other than those that are being contested in good faith pursuant to applicable Laws and in respect of which adequate reserves have been established in accordance with U.S. GAAP in the Vendor Financials and/or the Corporation Financial Information; (B) duly and timely withheld all material Taxes and other amounts required by applicable Laws to be withheld by it and has duly and timely remitted to the appropriate Governmental Entity such Taxes and other amounts required by applicable Laws to be remitted by it; and (C) duly and timely collected all material amounts on account of employment, sales or transfer taxes, including goods and services, harmonized, sales, value added and federal, provincial, state or territorial sales taxes, required by applicable Laws to be collected by it and has duly and timely remitted to the appropriate Governmental Entity any such amounts required by applicable Laws to be remitted by it. Adequate reserves and provisions for Taxes accrued but not yet due on or before the Closing Date are reflected in accordance with U.S. GAAP in the Vendor Financials and/or the Corporation Financial Information.

(3) To the knowledge of the Vendor, there are no Liens for Taxes on the property or assets of the Corporation, except for Permitted Liens. The Corporation is registered for purposes of the Tax imposed under HST Legislation its registration number is 85828 4979 RC0005.

(4) The Vendor has made available to the Purchaser complete and correct copies of all Tax Returns of the Corporation that have been filed as of the date hereof (except Tax Returns for periods in respect of which the applicable statutory period of limitations has expired) and copies of all its correspondence with Governmental Entities related to Taxes of the Corporation.

(5) To the knowledge of the Vendor or the Corporation, (i) no unresolved assessments, reassessments, audits, claims, actions, suits, proceedings or investigations exist or have been initiated with regard to any Taxes or Tax Returns of the Corporation and (ii) no assessment, reassessment, audit or investigation by any Governmental Entity is underway, threatened or imminent with respect to Taxes for which the Corporation may be liable, in whole or part.

(6) The Corporation has not requested or entered into any agreement or other arrangement or executed any waiver providing for any extension of time within which (i) to file any Tax Return in respect of any Taxes for which the Corporation is or may be liable; (ii) to file any elections, designations or similar filings relating to Taxes for which the Corporation is or may be liable; (iii) the Corporation is required to pay or remit any Taxes or amounts on account of Taxes; or (iv) any Governmental Entity may assess or collect Taxes for which the Corporation is or may be liable.

(7) For all transactions between the Corporation and any non-resident Person with whom the Corporation was not dealing at arm's length during a taxation year commencing after 1998 and ending on or before the Closing Date, the Corporation has made or obtained records or documents that meet the requirements of paragraphs 247(4)(a) to (c) of the Tax Act.

(8) The Corporation has not entered into any advance pricing agreement with any Governmental Entity.

(9) There are no circumstances which exist and would reasonably be expected to result in, or which have existed and resulted in, the application of any of sections 78, 80, 80.01, 80.02, 80.03 or 80.04 of the Tax Act, or any equivalent provision of the taxation legislation of any province or any other jurisdiction, to the Corporation at any time up to and including the Closing Date in respect of any transaction entered into.

(10) The Corporation will not be required to include in any Tax period ending after the Closing Date any taxable income attributable to income that accrued (or cash that was received), but was not recognized, in any taxable period ending on or before the Closing Date as a result of a reserve, deduction, prepaid amount, advance payment, election, tax credit, the cash method of accounting, the instalment method of accounting, a change in the method of accounting, an agreement with any Governmental Entity, any provision of local, provincial, territorial, federal or foreign Tax Law, or for any other reason.

(11) Neither the Vendor nor the Corporation is a non-resident of Canada for the purposes of the Tax Act.

Section 4.15 EMPLOYEE AGREEMENTS; EMPLOYEE PLANS

(1) Except as set forth in Section 4.15 of the Disclosure Letter or as provided by applicable Law, the Corporation is not a party to or bound or governed by (or currently negotiating in connection with entering into), or subject to, or has any liability with respect to:

(a) any collective bargaining or union agreements or other Contract with a labour union, labour organization or employee association, or any actual or, to the knowledge of the Vendor, threatened application for certification, recognition or bargaining rights in respect of the Corporation or any action or proceeding seeking to compel the Corporation to bargain with any labour organization as to wages or conditions of employment;

(b) any organized labour dispute, work stoppage or slowdown, strike or lock-out or other labor difficultly relating to or involving any Employees; or

(c) any actual or, to the knowledge of the Vendor, threatened grievance, claim or other proceeding arising out of or in connection with any labour or employment matter or independent or dependent contractor relationship.

True, complete and correct copies of the agreements, arrangements, plans and understandings referred to in paragraph (1) of this Section 4.15 have been provided or otherwise made available to the Purchaser.

(2) Section 4.15 of the Disclosure Letter contains (i) a complete and correct list of all Employees, including those individuals on disability leave, parental leave or other absence and Section 4.15 of the Disclosure Letter sets out their respective positions, age, dates of hire with the Corporation, or any predecessor entities of the Corporation, current salaries, benefits and other remuneration and accrued but unused vacation time and (ii) a list of all written employment agreements between the Corporation and such Employees.

(3) Section 4.15 of the Disclosure Letter contains a complete and correct list of all Employee Plans. The Vendor has made available to the Purchaser complete and accurate copies of all the Employee Plans, together with all related documentation, including all insurance policies, trust documents, employee booklets, funding and investment management agreements, summary plan descriptions, financial statements or asset statements. Except as set forth in Section 4.15 of the Disclosure Letter, the Corporation does not have any liability with respect to any actual or, to the knowledge of the Vendor or the Corporation, threatened grievance, claim or other proceeding arising out of or in connection with any of the Employee Plans.

Section 4.16 INTELLECTUAL PROPERTY

(1) Section 4.16 of the Disclosure Letter sets forth a correct and complete list of (a) all of the Intellectual Property owned by the Corporation that is (i) material to the Purchased Business, and (ii) registered/issued or for which applications for registration or issuance are pending, indicating, for each item of Intellectual Property, the owner, registration, patent or application number (as applicable) and the applicable filing jurisdiction, and (b) all Intellectual Property licensed by the Corporation from third parties, other than normal and routine off-the-shelf software license agreements. The Intellectual Property set forth on Section 4.16 of the Disclosure Letter is the only Intellectual Property necessary for and material to the operation of the Purchased Business as presently conducted other than off-the-shelf software license agreements. Except as set forth in Section 4.16 of the Disclosure Letter, the Corporation is the owner of record with respect to all material Intellectual Property of the Corporation and each of the applications or registrations for Intellectual Property set forth in Section 4.16 of the Disclosure Letter, and, to the knowledge of the Vendor and the Corporation, all such Intellectual Property is subsisting, valid, and enforceable.

(2) Except as set forth in Section 4.16 of the Disclosure Letter, the Corporation owns, directly and exclusively, all right, title and interest in and to, free and clear of all Liens (other than Permitted Liens), or has a valid and exclusive right to use, all Intellectual Property related to the Products and necessary for the conduct of the Purchased Business as presently conducted (including all Intellectual Property set forth in Section 4.16 of the Disclosure Letter).

(3) To the knowledge of the Vendor, there is no valid basis for a claim of infringement, misappropriation or other violation of material Intellectual Property rights against the Corporation in respect of the conduct of the Purchased Business as presently conducted. To the knowledge of the Vendor, (i) there is no legal proceeding pending and served against the Corporation claiming any actual, alleged or suspected infringement, misappropriation or other violation of any Intellectual Property right of another person by the Corporation and (ii) since January 1, 2017 the Corporation has not received any written notice or other written communication of any claim relating to any actual, alleged or suspected infringement, misappropriation or other violation of any Intellectual Property right of another person by the Corporation.

(4) Except as set forth in Section 4.16 of the Disclosure Letter, to the knowledge of the Vendor, no Person is infringing, misappropriating or otherwise violating any material Intellectual Property owned by the Corporation and no such claims have been asserted or threatened against any Person by the Vendor or the Corporation, or to the knowledge of the Vendor, any other Person, in the three (3) years preceding the date of this Agreement.

(5) The Corporation has taken reasonable commercial measures to maintain the secrecy of its Intellectual Property that it considers to be trade secrets or confidential information.

(6) Except as set forth in Section 4.16 of the Disclosure Letter, and to the knowledge of the Vendor, the Corporation is not a party to any agreement, contract or Order that in any way limits or restricts any Intellectual Property that the Corporation owns and/or currently uses to conduct the Purchased Business, other than normal and routine off-the-shelf software license agreements.

Section 4.17 REGULATORY MATTERS

(1) Since December 31, 2016, to the knowledge of the Vendor, the Purchased Business is being conducted in material compliance with all Laws governing the importation and distribution of the Products, including without limitation, to the extent applicable, the Canada FDA (including the Food and Drug Regulations and Medical Devices Regulations) and the Controlled Drugs and Substances Act and its associated regulations.

(2) The Corporation holds all material Authorizations and has made all material filings related thereto necessary for the operation of the Purchased Business, the ownership and use of the Assets and the Exploitation of the Products, including without limitation notices of compliance, drug identification numbers, drug establishment licenses, medical device establishment licenses and medical device licenses (the "**Business Authorizations**"). Section 4.17 of the Disclosure Letter sets forth a true and complete list of all Business Authorizations. All Business Authorizations are valid and in full force and effect or are in the process of being obtained in the Ordinary Course. The Corporation is not in default or breach of any Business Authorization and no proceedings are pending or, to the knowledge of the Vendor, threatened to revoke or limit any Business Authorization. To the knowledge of the Vendor, all Business Authorizations are renewable by their terms or in the Ordinary Course. Neither the

Vendor nor any Affiliate of the Vendor (other than the Corporation) owns or has any proprietary, financial or other interests (direct or indirect) in any Business Authorization.

(3) Since December 31, 2017, the Corporation has not either voluntarily or involuntarily initiated, conducted or issued, or caused to be initiated, conducted or issued, any recall, field notification, field correction, market withdrawal or replacement, warning, "dear doctor" letter, investigator notice, safety alert or other notice or action relating to an alleged lack of safety, lack of efficacy, adulteration, misbranding or lack of regulatory compliance of any Product.

(4) The Vendor has made available to the Purchaser complete and accurate copies of, all: (a) serious adverse event reports, periodic adverse event reports and other pharmacovigilance reports and data, and (b) material communications with Governmental Entities, and material documents and other information submitted to or received by or on behalf of the Corporation with or from any Governmental Entity relating to the Products, including inspection reports, warning letters and similar documents which are in the possession of the Vendor or the Corporation, or to which the Vendor or the Corporation has contractual access rights.

(5) Except as set forth in Section 4.17 of the Disclosure Letter, since February 5, 2016, the Corporation has not conducted (or caused to be conducted) any clinical trials.

Section 4.18 BOOKS AND RECORDS

The Books and Records, including for greater certainty the corporate records and minute books of the Corporation, have been maintained in accordance with all applicable Laws in all material respects, and such Books and Records are complete and accurate in all material respects. True and correct copies of all material Books and Records have been made available to the Purchaser.

Section 4.19 ENVIRONMENTAL MATTERS

(a) the Corporation is now and has been in material compliance with all applicable Environmental Laws; (b) there is no material Environmental Claim pending or, to the knowledge of the Vendor, threatened against the Corporation, to the knowledge of the Vendor, against any Person whose liability for such Environmental Claims the Corporation has retained or assumed either contractually or by operation of law, and, to the knowledge of the Vendor, there are no actions, activities, circumstances, facts, conditions, events or incidents that would reasonably be expected to give rise to any such Environmental Claims; (c) to the knowledge of the Vendor, no property currently or formerly owned, leased or operated by the Corporation or any former subsidiaries of the Corporation (including soils, groundwater, surface water, buildings or other structures), or any other location, is contaminated with any Hazardous Substance in a manner that would reasonably be expected to require remedial, investigation or clean-up activities by the Corporation or by any Person whose liability for such Environmental Claims the Corporation has or may have retained or assumed either contractually or by operation of law; (d) the Corporation is not subject to any Order or agreement with any Governmental Entity, or any indemnity or other agreement with any third party, concerning

liabilities or obligations relating to any Environmental Law or otherwise relating to any Hazardous Substance; (e) the Corporation has all of the material environmental Authorizations necessary for the conduct and operation of the Purchased Business as now being conducted, and all such environmental Authorizations are in good standing; and (f) Section 4.19 sets forth a complete and accurate list of, and the Vendor has delivered or otherwise made available to the Purchaser copies of, all Phase I or II environmental site assessments (or similar reports), or material documents relating to any alleged or actual non-compliance with applicable Environmental Law by the Corporation in connection with any of the Real Property Leases.

Section 4.20 INSURANCE

Section 4.20 of the Disclosure Letter contains an accurate and complete list as of the date of this Agreement of all insurance policies which are maintained with respect to the Purchased Business. The Corporation is not in default with respect to the payment of any premiums under such insurance policies and has not failed to give any notice or to present any material claim under such insurance policy in a due and timely fashion.

Section 4.21 PRODUCT WARRANTIES

Section 4.21 of the Disclosure Letter sets forth a true, correct and complete list of all material warranties given by the Corporation to purchasers of the Products that are still in effect.

Section 4.22 PRODUCT COMPLAINTS

Except as set forth in Section 4.22 of the Disclosure Letter, since February 5, 2016, the Corporation has not received any material complaints, and is not aware of any basis for any such complaints, from any customer relating to any of the Products which has not been completely remedied and/or satisfied by the Corporation.

Section 4.23 SUPPLIERS, MANUFACTURERS, CUSTOMERS, DISTRIBUTORS AND WHOLESALERS

Section 4.23 of the Disclosure Letter sets forth a true, correct and complete list of the top 10 suppliers (or an otherwise material list of), manufacturers, customers, distributors and wholesalers of the Corporation and there has been no termination or cancellation of, and no material modification or change in, the Corporation's business relationship with any major supplier, manufacturer, customer, wholesaler, distributer or group of major customers or suppliers since December 31, 2017.

Section 4.24 INVENTORY

(1) The Inventory levels have been maintained at such amounts as are required for the operation of the Purchased Business in the Ordinary Course. No Products are currently on backorder and the Corporation has not received notice of any planned or threatened backorder.

(2) Except for Inventory in transit, all Inventory is situated at the locations set forth in Section 4.24 of the Disclosure Letter.

Section 4.25 RELATED PARTY TRANSACTIONS

(1) Except as set forth in Section 4.25 of the Disclosure Letter, since January 1, 2017, the Corporation has not made any payment or loan to, or borrowed any monies from or is otherwise indebted to, any officer, director, employee, trustee or shareholder or any Person with whom the Corporation is not dealing at arm's length (within the meaning of the Tax Act) or any Affiliate or spouse of any of the foregoing (each, a "**Related Person**").

(2) Except as set forth in Section 4.25 of the Disclosure Letter, neither the Vendor nor any Affiliate of the Vendor (each, a "**Related Party**") is a party to any Contract with the Corporation, no Related Party is indebted to the Corporation and the Corporation is not indebted to any Related Party.

(3) Except as set forth in Section 4.25 of the Disclosure Letter, no Related Person: (i) to the knowledge of the Vendor, possesses, directly or indirectly, any financial interest in, or is a director, officer or employee of, any Person which is a competitor or supplier, dealer, lessor or lessee of the Corporation; or (ii) has any interest in any assets used or held for use by the Corporation.

Section 4.26 INFORMATION TECHNOLOGY

Each of the Vendor and the Corporation, as applicable, has taken commercially reasonable steps and implemented commercially reasonable safeguards to ensure that the IT Systems are substantially free from Harmful Code. The IT Systems are reasonably sufficient for the immediate and anticipated future needs of the Purchased Business, including as to capacity and scalability. The IT Systems are in good working condition to effectively perform all computing, information technology and data processing operations necessary for the operation of the Purchased Business. In the two-year period prior to the date of this Agreement, there has been no failure, breakdown or continued substandard performance of any IT System that has caused a material disruption or interruption in or to the operation of any material portion of the Purchased Business. Each of the Vendor and the Corporation, as applicable, has taken commercially reasonable steps to provide for the remote-site back-up of data and information critical to the conduct of the Purchased Business in a commercially reasonable attempt to avoid material disruption to, or material interruption in, the conduct of the Purchased Business. The Corporation has in place industry standard (and, in any event, not less than commercially reasonable) disaster recovery and business continuity plans, procedures and facilities.

Section 4.27 BROKERS AND FINDERS

Neither the Vendor nor the Corporation has used any broker or finder in connection with the transactions contemplated hereby, except that the Vendor has engaged the Vendor Financial Advisors as its financial advisors, and no other broker, finder or investment banker is entitled to any fee or commission from the Vendor or the Corporation in connection with the transactions contemplated hereby.

Section 4.28 NO OTHER REPRESENTATIONS AND WARRANTIES

Except for the representations and warranties made by the Vendor and the Corporation in this Exhibit "A" or in any Ancillary Agreement to be delivered by the Vendor pursuant to this Agreement, none of the Vendor, the Corporation or any other Person makes any express or implied representation or warranty with respect to the Vendor, the Corporation or their respective businesses, assets, operations, liabilities, condition (financial or otherwise) or prospects, and the Vendor and the Corporation hereby disclaim any such other representations or warranties. In particular, without limiting the foregoing disclaimer, except for the representations and warranties made by the Vendor or the Corporation in this Exhibit "A" or in any Ancillary Agreement to be delivered by the Vendor pursuant to this Agreement, none of the Vendor, the Corporation or any other Person makes or has made any representation or warranty to the Purchaser or any of their respective representatives with respect to (i) any financial projection, forecast, estimate, budget or prospective information relating to the Corporation or its businesses or operations or (ii) any oral or written information furnished or made available to the Purchaser or any of their respective representatives in the course of their due diligence investigation of the Vendor or the Corporation, the negotiation of this Agreement or the consummation of the transactions contemplated by this Agreement, including the accuracy, completeness or currency thereof, and none of the Vendor, the Corporation or any other Person will have any liability to the Purchaser or any other Person in respect of such information, including any subsequent use of such information, except in the case of fraud. Notwithstanding anything contained in this Agreement to the contrary, the Vendor and the Corporation acknowledge and agree that none of the Purchaser or any other Person has made or is making any representations or warranties whatsoever, express or implied with respect to the Purchaser or the Purchaser's businesses, assets, operations, liabilities, conditions (financial or otherwise) or prospects, beyond those expressly made by the Purchaser in Exhibit "B", including any implied representation or warranty as to the accuracy or completeness of any information regarding the Purchaser furnished or made available to the Vendor and the Corporation, or any of its representatives.

Exhibit "B"
Representations and Warranties of the Purchaser

Section 5.1 INCORPORATION AND QUALIFICATION

The Purchaser is a corporation duly incorporated and validly existing under the Laws of its jurisdiction of incorporation and it has the requisite corporate power to enter into and perform its obligations under this Agreement and the Ancillary Agreements to which it is or will be a party and to complete the transactions contemplated hereby and thereby.

Section 5.2 AUTHORITY

The execution and delivery of this Agreement and each of the Ancillary Agreements to which the Purchaser is or will be a party, the performance of its obligations hereunder and thereunder and the completion of the transactions contemplated hereby and thereby have been, or will be at or prior to Closing, duly authorized by all necessary corporate action on the part of the Purchaser.

Section 5.3 NO CONFLICT

Except for the Bidding Procedures Orders and the Approval Order the execution and delivery of and performance by the Purchaser of this Agreement and the Ancillary Agreements to which it is or will be a party:

(1) Do not and will not constitute or result in a violation or breach of, or conflict with, or allow any Person to exercise any rights under, any of the terms or provisions of its constating documents or by-laws.

(2) Do not and will not constitute or result in a breach or violation of, or conflict with or allow any Person to exercise any rights under, any material contract, license, lease or instrument to which it is a party.

(3) Do not result in the violation of any Law applicable to the Purchaser.

Section 5.4 REQUIRED AUTHORIZATIONS

No filing with, notice to or Authorization of, any Governmental Entity is required on the part of any Purchaser as a condition to the lawful completion of the transactions contemplated by this Agreement or the Ancillary Agreements to which it is or will be a party.

Section 5.5 EXECUTION AND BINDING OBLIGATION

This Agreement and each of the Ancillary Agreements to which the Purchaser is or will be a party has been, or will be at or prior to Closing, duly executed and delivered by the Purchaser, and constitutes, or will constitute, a legal, valid and binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms, in each case to the extent applicable, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium and other similar Laws relating to limitations

of actions or affecting the availability of equitable remedies and the enforcement of creditors' rights generally and by general principles of equity.

Section 5.6 PURCHASER'S FINANCING

The Purchaser has delivered to the Vendor a true, accurate and complete copy of the Commitment Letter by Deerfield pursuant to which Deerfield has agreed to lend the amounts set forth therein on the terms and subject only to the conditions set forth therein, for the purpose of funding the transactions contemplated by this Agreement (the financing contemplated by the Commitment Letter, the "**Debt Financing**"). As of the date of this Agreement, (a) the Commitment Letter is in full force and effect and constitutes legal, valid and binding obligations of the Purchaser and, to the knowledge of the Purchaser, Deerfield, (b) the Commitment Letter has not been amended or modified and no such amendment or modification is contemplated by the Purchaser, and (c) assuming the satisfaction of the conditions set forth therein, the Debt Financing will be sufficient to pay the Purchase Price and any other amounts to be paid or repaid by the Purchaser under this Agreement or as a result of the transactions contemplated by this Agreement. There are no conditions precedent related to the funding of the full amount of the Debt Financing other than as expressly set forth in the Commitment Letter; and there are no side letters or other contracts, understandings or arrangements (oral or written) related to the Debt Financing between the Purchaser and Deerfield other than the Commitment Letter. As of the date of this Agreement, to the Purchaser's knowledge and excluding any conditions where the failure to be so satisfied is a result of the Vendor's material breach of any of its obligations under this Agreement or a material breach by Deerfield, no event has occurred that (with or without notice or lapse of time or both) would reasonably be expected to constitute or result in a breach or default under the Commitment Letter or make the Purchaser unable to satisfy on a timely basis any term or condition of the Commitment Letter (whether or not such condition is contained in the Commitment Letter), and the Purchaser is not aware of any fact or occurrence that makes any of the representations or warranties of the Purchaser relating to Purchaser in the Commitment Letter inaccurate in any material respect. Subject to the terms and conditions of the Commitment Letter and subject to the satisfaction of the conditions contained in Section 7.1 and Section 7.2, (x) the Purchaser does not have any reason to believe that it will be unable to satisfy on a timely basis any term or condition to be satisfied by it and contained in the Commitment Letter, and (y) the aggregate proceeds contemplated by the Commitment Letter will be sufficient for the Purchaser to consummate the transactions contemplated hereby upon the terms and conditions contemplated hereby and pay all related fees and expenses related thereto.

Section 5.7 LITIGATION

Except as disclosed in the Purchaser Disclosure Documents, there are no material actions, suits, appeals, claims, applications, investigations, Orders, proceedings, grievances, arbitrations or alternative dispute resolution processes in progress, pending, or to the Purchaser's knowledge, threatened against the Purchaser, which prohibits, restricts or seeks to enjoin the transactions contemplated by this Agreement.

Section 5.8 BROKERS

No broker, agent or other intermediary is entitled to any fee, commission or other remuneration in connection with the transactions contemplated by this Agreement and the Ancillary Agreements based upon arrangements made by or on behalf of the Purchaser.

Section 5.9 TAX

The Purchaser is not a non-resident of Canada within the meaning of the Tax Act.

Section 5.10 NO OTHER REPRESENTATIONS AND WARRANTIES

Except for the representations and warranties made by the Purchaser in this Exhibit "B" or in any Ancillary Agreement to be delivered by the Purchaser pursuant to this Agreement, none of the Purchaser or any other Person makes any express or implied representation or warranty with respect to the Purchaser, and the Purchaser hereby disclaims any such other representations or warranties.

Exhibit "C"
Approval Order

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	)	●, THE ●
	)	
JUSTICE DUNPHY	)	DAY OF ●, 2018

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

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

Applicants

APPROVAL AND VESTING ORDER

THIS MOTION, made by Aralez Pharmaceuticals Inc. ("**API**") and Aralez Pharmaceuticals Canada Inc. ("**Aralez Canada**" and, together with API, the "**Applicants**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), for an Order, among other things, (i) approving the sale transaction (the "**Transaction**") contemplated by a share purchase agreement (the "**Share Purchase Agreement**") among API, as vendor, Aralez Canada, as the company, and Nuvo Pharmaceuticals Inc., as the purchaser (the "**Purchaser**") dated September ●, 2018, an unredacted copy of which is appended to the confidential supplement (the "**Confidential Supplement**") to the ● Report of the Richter Advisory Group Inc. ("**Richter**") dated ●, 2018 (the "**Report**") in its capacity as Monitor of the Applicants (the "**Monitor**"), (ii) vesting in the Purchaser all of API's right, title and interest in and to the Purchased Shares, (iii) authorizing and directing the Monitor, in consultation

with API and Deerfield Management Company, L.P. ("**Deerfield**"), to make certain payments, distributions and disbursements as set out in this order, in each case subject to maintaining the Reserve (as defined below) from the proceeds of the Transaction, and (iv) granting the other relief set out herein, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Motion Record of the Applicants filed in respect of this motion and the Report, and on hearing the submissions of counsel for the Applicants, the Monitor, Deerfield, and the Purchaser, no one appearing for any other person on the service list, although properly served as appears from the affidavit of service filed:

SERVICE

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

DEFINED TERMS

2. **THIS COURT ORDERS** that capitalized terms used and not defined herein shall have the meanings given to them in the Share Purchase Agreement.

APPROVAL OF THE TRANSACTION

3. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved and the execution by the Applicants of the Share Purchase Agreement and the entering into of the Transaction is hereby authorized, ratified and approved, with such minor amendments to the Share Purchase Agreement as the Applicants and the Purchaser may agree to with the consent of the Monitor. The Applicants are hereby authorized and directed to perform their obligations under the Share Purchase Agreement and any ancillary documents related thereto and to take all such additional steps and actions and to execute such additional documents as may be required by the

Share Purchase Agreement or necessary or desirable for completion of the Transaction and for the conveyance of the Purchased Shares to the Purchaser.

VESTING OF THE PURCHASED SHARES

4. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Monitor's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "**Monitor's Certificate**"), all of API's right, title and interest in and to the Purchased Shares described in the Share Purchase Agreement shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Initial Order dated August 10, 2018 (as amended and restated, the "**Initial Order**"); and (ii) all charges, security interests or claims evidenced by registrations pursuant to the Personal Property Security Act (Ontario) or any other personal property registry system (all of which are collectively referred to as the "**Encumbrances**") and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Shares are hereby expunged and discharged as against the Purchased Shares.

5. **THIS COURT ORDERS** that for purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Shares shall stand in the place and stead of the Purchased Shares, and that from and after the delivery of the Monitor's Certificate all Claims and Encumbrances (including those created by the Initial Order) shall attach to the net proceeds from the sale of the Purchased Shares with the same priority as they had with respect to the Purchased Shares immediately prior to

the sale, as if the Purchased Shares had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

6. **THIS COURT ORDERS AND DIRECTS** the Monitor to file with the Court a copy of the Monitor's Certificate, forthwith after delivery thereof.

7. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Monitor is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Applicants' records pertaining to Aralez Canada's past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Applicants.

8. **THIS COURT ORDERS** that, notwithstanding:

(a) the pendency of these proceedings;

(b) any assignment in bankruptcy or any application for a bankruptcy order now or hereafter issued pursuant to the Bankruptcy and Insolvency Act (the "**BIA**") and any order issued pursuant to any such application;

(c) any application for a receivership order; or

(d) any provisions of any federal or provincial legislation,

the vesting of the Purchased Shares in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Applicants and shall not be void or voidable by creditors of the Applicants, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive

or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

DISBURSEMENTS

9. **THIS COURT ORDERS** that the disbursements authorized and approved by this Order shall at all times be subject to: (i) the completion of the Transaction and the receipt of the net proceeds from the sale of the Purchased Shares (the "**Sale Proceeds**") by the Monitor; and (ii) the Monitor retaining from the Sale Proceeds any reserve(s) of funds (collectively, the "**Reserve**") considered necessary or appropriate by the Monitor, in consultation with API and Deerfield, including, without limitation, in an amount satisfactory to the Monitor, in consultation with API and Deerfield, or in an amount determined by the Court, sufficient to (a) satisfy or secure the obligations under the Charges, other than the DIP Charge (each as defined in the Initial Order), that rank ahead of the applicable debt owing to Deerfield, (b) satisfy any unpaid obligations incurred by API since the commencement of the within proceedings, (c) complete the within proceedings and satisfy such obligations of API as may arise in so doing, and (d) perform any and all obligations, including post-closing obligations, of API under the Share Purchase Agreement and any other agreements entered into by API in respect of the Transaction (collectively, the "**Reserved Obligations**").

10. **THIS COURT ORDERS** that, subject to the Reserve, the Monitor is hereby authorized and directed to, in consultation with API and Deerfield, disburse the balance of the Sale Proceeds on behalf of API to Deerfield on the day of filing of the Monitor's Certificate or as soon thereafter as practicable. Such distribution shall be applied: (i) first, to the obligations of the API owing to Deerfield under the Definitive Documents (as defined in the Initial Order) and (ii) second, to the pre-filing secured debt in favour of Deerfield owed by API.

11. **THIS COURT ORDERS** that any portion of the Reserve subsequently determined by the Monitor, in consultation with API and Deerfield, to no longer be

necessary or appropriate to retain, shall be disbursed by the Monitor to Deerfield, to be applied: (i) first, to the obligations of API owing to Deerfield under the Definitive Documents, if any are remaining, and (ii) second, to the pre-filing secured debt in favour of Deerfield owed by API (provided, for greater certainty, that in no circumstance shall the aggregate amount of all disbursements to Deerfield exceed the quantum of the obligations of API owing to Deerfield).

12. **THIS COURT ORDERS** that the Monitor is hereby authorized and empowered to, in consultation with API and Deerfield, disburse on behalf of API from time to time from the Reserve such amounts as are required to pay the Reserved Obligations (provided, for greater certainty, that any amounts paid to the Monitor or its counsel are subject to a final approval of such fees and disbursements by this Court).

13. **THIS COURT ORDERS** that notwithstanding:

(a) the pendency of these proceedings;

(b) any assignment in bankruptcy or any application for a bankruptcy order now or hereafter issued pursuant to the BIA and any order issued pursuant to any such application;

(c) any application for a receivership order; or

(d) any provisions of any federal or provincial legislation,

the Reserve, payments, distributions and disbursements contemplated in this Order shall be binding on any trustee in bankruptcy or receiver that may be appointed, and shall not be void or voidable nor deemed to be a preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, as against the Applicants, the Monitor, Deerfield, or any other person receiving distributions or disbursements

pursuant to this Order, and shall not constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

14. **THIS COURT ORDERS** that, in addition to the rights and protections afforded to the Monitor under the Initial Order, the Monitor shall not be liable for any act or omission on the part of the Monitor pertaining to the discharge of its duties under this Order, save and except for any claim or liability arising out of any gross negligence or wilful misconduct on the part of the Monitor. Nothing in this Order shall derogate from the protections afforded to the Monitor by the CCAA, any other federal or provincial applicable law or the Initial Order.

15. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order and without in any way limiting the protections for the Monitor set forth in this Order, the Initial Order and the CCAA, the Monitor shall have no obligation to make any payment unless the Monitor is in receipt of funds adequate to effect any such payment, subject at all times to paragraph 9 of this Order.

16. **THIS COURT ORDERS AND DECLARES** that any payments, distributions and disbursements under this Order shall not constitute a "distribution" for the purposes of section 159 of the Income Tax Act (Canada), section 270 of the Excise Tax Act (Canada), section 107 of the Corporations Tax Act (Ontario), section 22 of the Retail Sales Tax (Ontario), section 117 of the Taxation Act, 2007 (Ontario) or any other similar federal, provincial or territorial tax legislation (collectively, the "**Tax Statutes**"), and that the Monitor in making any such payments, distributions or disbursements is not "distributing", nor shall be considered to "distribute" nor to have "distributed", such funds for the purpose of the Tax Statutes, and the Monitor shall not incur any liability under the Tax Statutes in respect of its making any payments ordered or permitted under this Order, and is hereby forever released and discharged from any claims against it under or pursuant to the Tax Statutes or otherwise at law, arising in respect of

payments made under this Order and any claims of this nature are hereby forever barred.

GENERAL

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

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

_____

SCHEDULE A
FORM OF MONITOR'S CERTIFICATE

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

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

Applicants

MONITOR'S CERTIFICATE

RECITALS

A. The Applicants obtained protection under the *Companies' Creditors Arrangement Act* (the "**CCAA**") pursuant to an Initial Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated August 10, 2018 (the "**Initial Order**").

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

C. Pursuant to the Approval and Vesting Order of the Court granted ●, 2018 (the "**Approval and Vesting Order**"), the Court approved the share purchase agreement dated ● 2018 (the "**Share Purchase Agreement**") among Aralez Pharmaceuticals Inc. ("**API**"), as vendor, Aralez Pharmaceuticals Canada Inc. ("**Aralez Canada**"), as the company, and Nuvo Pharmaceuticals Inc., as the purchaser (the "**Purchaser**") providing for, among other things, the sale of all the shares in the capital of Aralez Canada to the

Purchaser (the "**Purchased Shares**"), which vesting is to be effective upon the delivery by the Monitor to the Purchaser of this Monitor's Certificate.

D. Unless otherwise indicated or defined herein, capitalized terms used in this Monitor's Certificate shall have the meanings given to them in the Approval and Vesting Order.

THE MONITOR CONFIRMS the following:

1. The Monitor has received written confirmation, in form and substance satisfactory to the Monitor, from the Purchaser and API that:

(a) all conditions to Closing set forth in the Share Purchase Agreement have been satisfied or waived;

(b) the Purchaser has paid the Purchase Price;

(c) the Purchase Price has been delivered in accordance with the Share Purchase Agreement; and

(d) the Transaction has been completed to the satisfaction of the Purchaser and API, respectively.

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

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

Per: _____

Name:

Title:

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

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

Applicants

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

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

APPROVAL AND VESTING ORDER

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Lawyers for the Applicants

Exhibit "D"
Bidding Procedures Order

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	)	●DAY, THE ●
	)	
JUSTICE DUNPHY	)	DAY OF ●, 2018

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

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

(Applicants)

ORDER
(Re Bidding Procedures Approval)

THIS MOTION, made by Aralez Pharmaceuticals Inc. and Aralez Pharmaceuticals Canada Inc. (together the "**Applicants**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an order approving the bidding procedures (the "**Bidding Procedures**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of ● sworn ●, 2018 and the Exhibits attached thereto, and the ● Report of Richter Advisory Group Inc., in its capacity as the Court-appointed Monitor (the "**Monitor**") and on hearing the submissions of counsel for the Applicants, the Monitor, the DIP Lender, Nuvo Pharmaceuticals Inc. and counsel for those other parties appearing as indicated by the counsel sheet, no one else appearing

although properly served, as appears from the affidavit of ●, filed,

DEFINITIONS

1. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined shall have the meanings ascribed to them in the bidding procedures attached as Schedule "A" hereto (the "**Bidding Procedures**").

SERVICE

2. **THIS COURT ORDERS** that the time for service of the Notice of Motion and Motion Record in respect of this Motion is hereby abridged so that this Motion is properly returnable today and hereby dispenses with further service thereof.

BIDDING PROCEDURES

3. **THIS COURT ORDERS** that the Bidding Procedures attached as Schedule "A" hereto are hereby approved.

4. **THIS COURT ORDERS** that the Applicants and their advisors, and the Monitor and its advisors, are authorized and directed to commence the Bidding Procedures in accordance with its terms. The Applicants and the Monitor are hereby authorized and directed to perform their respective obligations under the Bidding Procedures and to do all things reasonably necessary in relation to such obligations, subject to the terms of the Bidding Procedures.

5. **THIS COURT ORDERS** that each of the Applicants and the Monitor and their respective affiliates, partners, directors, employees, advisors, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liability of any nature or kind to any person in connection with or as a result of the Bidding Procedures, except to the extent of such losses, claims, damages or liabilities

resulting from the gross negligence or willful misconduct of the Applicants or the Monitor, as applicable, in performing their obligations under the Bidding Procedures, as determined by this Court. For the avoidance of doubt, nothing in this paragraph 5 shall limit any liability of the Applicants pursuant to or in connection with the Canadian Share Purchase Agreement.

STALKING HORSE AGREEMENT AND BID PROTECTIONS

6. **THIS COURT ORDERS** that the Applicants are hereby authorized to execute the Canadian Share Purchase Agreement *nunc pro tunc*, provided that nothing herein approves the sale and the vesting of the assets to the Canadian Purchaser pursuant to the Canadian Share Purchase Agreement and that the approval of the sale and vesting of such assets shall be considered by this Court on a subsequent motion made to this Court following completion of the sale process pursuant to the terms of the Bidding Procedures, and further that nothing in the Canadian Share Purchase Agreement or any other sale agreement presented to this Court for approval shall be determinative of the issue of allocation of sale proceeds or prejudice the rights of parties in interest related thereto.

7. **THIS COURT ORDERS** that the payment and priority of the Canadian Termination Fee and the Canadian Expense Reimbursement (together, the "**Bid Protections**") on the terms contemplated by the Canadian Share Purchase Agreement are hereby approved.

8. **THIS COURT ORDERS** that the Stalking Horse Bidder shall be and is hereby entitled to a charge (the "**Bid Protections Charge**") on the Property of the Applicants (as that term is defined in the Initial Order dated August 10, 2018 (as amended and restated, the "**Initial Order**"), made in the within proceedings) as security for payment of the Bid Protections. The Bid Protections Charge shall have the benefit of paragraphs 50-55 of the Initial Order and shall rank in priority to all other Encumbrances and Charges (as those terms are defined in the Initial Order) other than the Administration Charge and the DIP Lenders' Charge, each as defined in the Initial Order.

PIPEDA

9. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Applicants and the Monitor may disclose personal information of identifiable individuals to prospective purchasers or bidders for the Purchased Assets and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete a sale of the Purchased Assets (the "**Sale**"). Each prospective purchaser and or bidder (and their respective advisors) to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information solely to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Applicants, or in the alternative destroy all such information. The purchaser of the Purchased Assets shall be entitled to continue to use the personal information provided to it, and related to the Purchased Assets, in a manner that is in all material respects identical to the prior use of such information by the Vendors, and shall return all other personal information to the Vendors, or ensure that all other personal information is destroyed.

GENERAL

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

SCHEDULE "A"

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

BIDDING PROCEDURES ORDER

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Lawyers for the Applicants

Exhibit E
[Intentionally Deleted]

Exhibit F
Aralez Canada CCAA Termination Order

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	)	**●, THE ●**
	)	
JUSTICE DUNPHY	)	**DAY OF ●, 2018**

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

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

Applicants

ARALEZ CANADA CCAA TERMINATION ORDER

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

ON READING the Motion Record of the Applicants filed in respect of this motion and the ● report of the Monitor, and on hearing the submissions of counsel for the Applicants, the Monitor, Deerfield Management Company L.P. ("**Deerfield**"), and

Nuvo Pharmaceuticals Inc. (the "**Purchaser**"), no one appearing for any other person on the service list, although properly served as appears from the affidavit of service filed:

SERVICE

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

DEFINED TERMS

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

TERMINATION OF ARALEZ CANADA CCAA PROCEEDINGS AND RELATED PROVISIONS

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

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

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

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

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

6. **THIS COURT ORDERS** that at the Aralez Canada CCAA Termination Time the Charges (as defined in the Initial Order) shall be fully, unconditionally and automatically terminated, released and discharged as against Aralez Canada and its Property.

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

8. **THIS COURT ORDERS** that at the Aralez Canada CCAA Termination Time, in accordance with the releases delivered pursuant to the Share Purchase Agreement, any and all debts, liabilities and obligations of Aralez Canada to API or any Affiliate thereof shall be fully, finally, irrevocably, unconditionally, automatically and forever

terminated, waived, discharged, extinguished, cancelled, barred and released against Aralez Canada and its Property.

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

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

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

(b) the commencement or existence of these proceedings, or any other insolvency, restructuring, administration, bankruptcy or similar proceeding involving the Applicants or any Existing Affiliate (provided that any such proceeding in respect of the Applicants was commenced prior to the Aralez Canada CCAA Termination Time) and, for greater certainty, including any deferral or interruption of payments and any incurrence or creation of charges arising from or relating to any such proceeding; and

(c) the entering into and implementation of the Share Purchase Agreement and the Transaction, including, without limitation, as a result of a change of control of Aralez Canada resulting from the completion of the Transaction.

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

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

CLAIMS BARRED

12. **THIS COURT ORDERS** that capitalized terms used in paragraph 12 of this Order and not defined herein shall have the meanings given to them in the Claims Procedure Order dated ●, 2018 (the "**Claims Procedure Order**"). Effective upon the Aralez Canada CCAA Termination Time and without limiting the generality of paragraph ● of the Claims Procedure Order, where a Claim (including, for greater certainty, any Prefiling Claim, Restructuring Period Claim or Director/Officer Claim) has not been (i) submitted pursuant to a Proof of Claim actually received by the Monitor on or before the Claims Bar Date or the Restructuring Period Claims Bar Date, as applicable, or (ii) determined to be a Claim against Aralez Canada by Order of the Court or with the consent of the Applicants, the Purchaser and the Monitor, then:

(a) all Persons holding such a Claim shall be and are hereby forever barred from making or enforcing such Claim against any of Aralez Canada, Aralez Canada's Business and Property, or any Director or Officer;

(b) no Person shall be entitled to receive any payment, distribution or other consideration in respect of such Claim from Aralez Canada or any other Person, whether prior to, on or after Closing; and

(c) such Claim shall be fully, finally, irrevocably and forever waived, discharged, extinguished, cancelled, barred and released against Aralez Canada, Aralez Canada's Business and Property, and all Directors and Officers.

APPROVAL OF ACTIVITIES

13. **THIS COURT ORDERS** that the ● Report[s] and the activities and conduct of the Monitor referred to therein be and are hereby ratified and approved.

DISCHARGE OF MONITOR AS AGAINST ARALEZ CANADA

14. **THIS COURT ORDERS AND DECLARES** that the Monitor has duly and properly satisfied, discharged and performed all of its obligations, liabilities, responsibilities and duties in respect of Aralez Canada in compliance and in accordance with the CCAA, the Initial Order and any other Orders of this Court made in the within proceedings.

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

16. **THIS COURT ORDERS** that effective at the Aralez Canada CCAA Termination Time the Monitor and its counsel and each of their respective affiliates, officers, directors, partners, employees and agents (collectively, the "**Released Persons**") are hereby released and discharged from any and all claims that any person may have or be entitled to assert against the Released Persons, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in

part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the date of this Order in any way relating to, arising out of or in respect of the within proceedings or with respect to their respective conduct in the within proceedings as it relates to Aralez Canada (collectively, the "**Released Claims**"), and any such Released Claims are hereby released, stayed, extinguished and forever barred, and the Released Persons shall have no liability in respect thereof, provided that the Released Claims shall not include: (i) any claim or liability arising out of any gross negligence or wilful misconduct on the part of the Released Parties; and (ii) any objection to the fees and disbursements of the Monitor or its counsel, which fees and disbursements shall be passed in accordance with the Initial Order, and nothing herein shall release the Monitor from doing so or estop any person from taking a position on any motion by the Monitor for the approval of its fees and disbursements and those of its legal counsel.

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

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

for costs, for the full indemnity costs of the applicable Released Persons in connection with any proposed action or proceeding as the Court hearing the motion for leave to proceed may deem just and appropriate.

GENERAL

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

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

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

SCHEDULE A
FORM OF MONITOR'S CERTIFICATE

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

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

Applicants

MONITOR'S CERTIFICATE

RECITALS

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

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

C. Pursuant to the Aralez Canada CCAA Termination Order granted ●, 2018 (the "**Aralez Canada CCAA Termination Order**"), the Court approved, among other things, the termination of the CCAA proceedings of Aralez Canada effective at the date and time (the "**Aralez Canada CCAA Termination Time**") on which the Monitor delivers a Monitor's certificate (the "**Monitor's Certificate**") to Nuvo Pharmaceuticals Inc., as the purchaser of Aralez Canada (the "**Purchaser**").

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

THE MONITOR CONFIRMS the following:

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

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

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

Per: _____

Name:

Title:

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

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

Applicants

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

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

ARALEZ CANADA CCAA TERMINATION ORDER

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Lawyers for the Applicants

Commonwealth of Pennsylvania
County of CHESTER

EXHIBIT "C"

referred to in the Affidavit of

ADRIAN ADAMS

Sworn November 29, 2018

MICHAEL D. SERRATORE
~~Commissioner~~ NOTARY PUBLIC for Taking Affidavits

COMMONWEALTH OF PENNSYLVANIA
NOTARIAL SEAL
Michael D. Serratore, Notary Public
Whitemarsh Twp., Montgomery County
My Commission Expires Dec. 21, 2019
MEMBER, PENNSYLVANIA ASSOCIATION OF NOTARIES

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	)	WEDNESDAY, THE 10TH
	)	
JUSTICE DUNPHY	)	DAY OF OCTOBER, 2018

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

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

(Applicants)

ORDER
(Re Bidding Procedures Approval)

THIS MOTION, made by Aralez Pharmaceuticals Inc. ("**API**") and Aralez Pharmaceuticals Canada Inc. (together the "**Applicants**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an order approving the bidding procedures (the "**Bidding Procedures**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Adrian Adams sworn October 1, 2018 and the Exhibits attached thereto, the affidavit of Kathryn Esaw sworn October 10, 2018 and Exhibits attached thereto, and the Second Report of Richter Advisory Group Inc., in its capacity as the Court-appointed Monitor (the "**Monitor**") and on hearing the submissions of counsel for the Applicants, the Monitor, the DIP Lender, Nuvo

Pharmaceuticals Inc., the Official Committee of the Unsecured Creditors and counsel for those other parties appearing as indicated by the counsel sheet, no one else appearing although properly served, as appears from the affidavits of Nicholas Avis, sworn October 2, October 5 and October 10, 2018 and filed:

DEFINITIONS

1. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined shall have the meanings ascribed to them in the bidding procedures attached as Schedule "A" hereto (the "**Bidding Procedures**").

SERVICE

2. **THIS COURT ORDERS** that the time for service of the Notice of Motion and Motion Record in respect of this Motion is hereby abridged so that this Motion is properly returnable today and hereby dispenses with further service thereof.

BIDDING PROCEDURES

3. **THIS COURT ORDERS** that the Bidding Procedures attached as Schedule "A" hereto are hereby approved.

4. **THIS COURT ORDERS** that the Applicants and their advisors, and the Monitor and its advisors, are authorized and directed to commence the Bidding Procedures in accordance with its terms. The Applicants and the Monitor are hereby authorized and directed to perform their respective obligations under the Bidding Procedures and to do all things reasonably necessary in relation to such obligations, subject to the terms of the Bidding Procedures.

5. **THIS COURT ORDERS** that each of the Applicants and the Monitor and their respective affiliates, partners, directors, employees, advisors, agents and controlling

persons shall have no liability with respect to any and all losses, claims, damages or liability of any nature or kind to any person in connection with or as a result of the Bidding Procedures, except to the extent of such losses, claims, damages or liabilities resulting from the gross negligence or willful misconduct of the Applicants or the Monitor, as applicable, in performing their obligations under the Bidding Procedures, as determined by this Court. For the avoidance of doubt, nothing in this paragraph 5 shall limit any liability of the Applicants pursuant to or in connection with the Canadian Share Purchase Agreement.

STALKING HORSE AGREEMENT AND BID PROTECTIONS

6. **THIS COURT ORDERS** that the Applicants are hereby authorized to execute the Canadian Share Purchase Agreement *nunc pro tunc*, provided that nothing herein approves the sale and the vesting of the assets to the Canadian Purchaser pursuant to the Canadian Share Purchase Agreement and that the approval of the sale and vesting of such assets shall be considered by this Court on a subsequent motion made to this Court following completion of the sale process pursuant to the terms of the Bidding Procedures, and further that nothing in the Canadian Share Purchase Agreement or any other sale agreement presented to this Court for approval shall be determinative of the issue of allocation of sale proceeds or prejudice the rights of parties in interest related thereto.

7. **THIS COURT ORDERS** that the payment and priority of the Canadian Termination Fee and the Canadian Expense Reimbursement (together, the "**Bid Protections**") on the terms contemplated by the Canadian Share Purchase Agreement are hereby approved.

8. **THIS COURT ORDERS** that the Canadian Purchaser shall be and is hereby entitled to a charge (the "**Bid Protections Charge**") on the Property (as that term is defined in the Initial Order dated August 10, 2018 (as amended and restated, the "**Initial Order**"), made in the within proceedings) of the Applicants as security for payment of the Bid Protections. The Bid Protections Charge shall have the benefit of paragraphs 50-55 of

the Initial Order and shall rank in priority to all other Encumbrances and Charges (as those terms are defined in the Initial Order) other than the Administration Charge and the DIP Lenders' Charge, each as defined in the Initial Order.

APPROVAL OF GENUS AMENDING AGREEMENT

9. **THIS COURT ORDERS** that the Amendment to Purchase Agreement among API, Pozen, Inc. and Genus Lifesciences, Inc. ("**Genus**") dated September 17, 2018 (the "**Genus Amendment**") is hereby approved nunc pro tunc.

10. **THIS COURT ORDERS** that the transactions as contemplated by the Genus Amendment are hereby approved, and the execution of the Genus Amendment is hereby authorized and approved with such amendments, additions and corrections as may be negotiated between the parties thereto, with the consent of the Monitor. The Applicants are authorized to perform the Genus Amendment, and the original Purchase Agreement dated July 10, 2018 (the "**Genus APA**"), and perform all obligations of the Applicants set forth thereunder. The Applicants shall not disclaim, resiliate or reject the Genus Amendment, or the Genus APA, without the written approval of Genus.

11. **THIS COURT ORDERS** that 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).

PIPEDA

12. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Applicants and the Monitor may disclose personal information of identifiable individuals to prospective purchasers or

bidders for the Purchased Assets and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete a sale of the Purchased Assets (the "**Sale**"). Each prospective purchaser and or bidder (and their respective advisors) to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information solely to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Applicants, or in the alternative destroy all such information. The purchaser of the Purchased Assets shall be entitled to continue to use the personal information provided to it, and related to the Purchased Assets, in a manner that is in all material respects identical to the prior use of such information by the Applicants, and shall return all other personal information to the Applicants, or ensure that all other personal information is destroyed.

GENERAL

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

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

OCT 11 2018

PER / PAR:

SCHEDULE "A"

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.

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, to the fullest extent permitted by law, 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 or such other approved purchase agreement of the Successful

Bidder(s) (defined below), and with any such Liens to attach solely to the net proceeds of the sale of each applicable Purchased Asset.[1]

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:[2]

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)

1 Any order submitted to the Bankruptcy Court for purposes of approving either Stalking Horse Agreement or other approved purchase agreement of the Successful Bidder(s) (as defined below) shall likewise provide that any free and clear sale shall be "to the fullest extent permitted by law".

2 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, 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 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, the Vimovo Assets and the Canadian 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));

(c) 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)); and

(d) proposed Canadian counsel to the Official Committee of Unsecured Creditors, McMillan LLP, 181 Bay Street, Suite 4400, Toronto, ON, Canada M5J 2T3 (Attn: Andrew Kent (andrew.kent@mcmillan.ca) and Jeffrey Levine (jeffrey.levine@mcmillan.ca)).

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).

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

BIDDING PROCEDURES ORDER

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Lawyers for the Applicants

Commonwealth of Pennsylvania
County of CHESTER

EXHIBIT "D"

referred to in the Affidavit of

ADRIAN ADAMS

Sworn November 29, 2018

Michael D. Serratore
Commissioner for Taking Affidavits

COMMONWEALTH OF PENNSYLVANIA
NOTARIAL SEAL
Michael D. Serratore, Notary Public
Whitemarsh Twp., Montgomery County
My Commission Expires Dec. 21, 2019
MEMBER, PENNSYLVANIA ASSOCIATION OF NOTARIES

Section 6.4

Pre-Closing Reorganization

1. Evidence shall be provided by the Vendor to the Purchaser of (A) the termination of (i) the Management and Support Services Agreement, and (ii) the Non-Exclusive Distributor Agreement dated April 1, 2016 between Aralez Pharmaceuticals Trading DAC and the Corporation and, in each case, all parties thereto shall have executed a full and unconditional release of all rights and obligations thereunder and (B) the assignment of the Product Development and Profit Share Agreement to the Vendor, as contemplated by #3 below.

2. Tribute Pharmaceuticals International Inc. (Barbados) shall be dissolved, or the shares in its capital stock transferred, such that it shall no longer be a subsidiary of the Corporation.

3. The U.S. rights of the Corporation to the Bezalip product shall be transferred by the Corporation to the Vendor by way of dividend-in-kind; provided that if the Vendor, directly or indirectly, assigns or otherwise transfers such rights to a third party, whether prior to or following Closing, the Vendor shall ensure that the Corporation does not have any further liability related thereto or under the Product Development and Profit Share Agreement whether (i) through the Claims Procedure Order and/or the CCAA Termination Order, (ii) a full and unconditional release in favour of the Corporation by the counterparty to the relevant contract(s) in respect of such U.S. rights and obligations, (iii) by the provision of an indemnity in favour of the Corporation by a credit worthy third party with respect thereto, or (iv) by such other commercially reasonable means (including disclaiming such relevant contract(s) if necessary), in each case, acceptable to the Purchaser, acting reasonably.

Steps 4-11 below (as amended, modified, or supplemented with the written consent of each of the Vendor and the Purchaser) shall be completed in the order set forth below and in a manner that does not give rise to a material Tax liability of the Corporation or a material reduction in the Tax attributes of the Corporation or any of its Assets.

4. 2017 Loan Agreement. The loan agreement dated April 3, 2017 between the Corporation, as lender, and the Vendor, as borrower, (the "**2017 Loan Agreement**") in the principal amount of CDN$6,015,200 shall be amended to reflect the additional principal amount of approximately CDN$8,000,000 owing by the Vendor to the Corporation thereunder, such that following such amendment the total amount owing by the Vendor to the Corporation thereunder shall be approximately CDN$14,015,200.

5. 2016 Loan Facility Agreement. The loan facility agreement dated March 29, 2016, among Aralez Luxembourg Finance, as lender, and Aralez Pharmaceuticals Trading DAC, Tribute Pharmaceuticals Canada Inc., Aralez Pharmaceuticals Inc. and Aralez Pharmaceuticals Management Inc., as borrowers, as amended by an amendment to the loan facility agreement effective as of March 29, 2016 (the "**2016 Loan Facility**

Agreement"), under which there is and shall be no amount owing by any of the borrowers, shall be amended to (i) remove the Corporation as a party thereto and (ii) fully, finally, unconditionally and irrevocably release the Corporation and all of its Assets from any and all liabilities and obligations thereunder, such that following such amendment there shall be no debts, liabilities or obligations owing by the Corporation to any Person thereunder.

6. Deerfield Guarantee. The Corporation shall be fully, finally, unconditionally and irrevocably released of any and all of the liabilities and obligations of the Corporation to Deerfield under the facility agreement dated as of June 8, 2015, as amended and restated on October 29, 2015 and as further amended and restated on December 7, 2015, under which the Corporation has and shall have liabilities and obligations only as guarantor and not as borrower, and which guarantee of the Corporation has not been and shall not have been called upon, such that following such release there shall be no debts, liabilities or obligations owing by the Corporation to any Person thereunder.

7. DIP Indebtedness. The Vendor shall assume any and all of the debts, liabilities and obligations of the Corporation to Deerfield Management Company, LP or any Affiliate thereof (collectively, "**Deerfield**") under the DIP Agreement or any of the Definitive Documents (as defined in the Initial Order) (collectively, the "**DIP Indebtedness**") in consideration for the issuance of a demand promissory note (the "**DIP Note**") having a principal amount equal to the aggregate amount of the DIP Indebtedness, such that following such assumption there shall be no debts, liabilities or obligations owing by the Corporation to any Person under the DIP Agreement or any of the Definitive Documents.

8. DIP Note. The Corporation shall issue common shares to the Vendor having an aggregate fair market value equal to the principal amount of the DIP Note in full and final payment and satisfaction of the amount owing by the Corporation to the Vendor under the DIP Note, such that following such issuance no amount shall be owing by the Corporation to the Vendor under the DIP Note.

9. Intercompany Indebtedness. The Vendor shall assume any and all of the debts, liabilities and obligations owing by the Corporation to any Affiliate of the Vendor (including the amount owing by the Corporation to Aralez Pharmaceuticals Trading DAC ("**Trading DAC**") pursuant to a promissory note in the principal amount of USD$2,260,000 effective as of August 8, 2018 issued by the Corporation for and in favour of Trading DAC) (collectively, the "**Intercompany Indebtedness**") in consideration for the issuance by the Corporation to the Vendor of a demand promissory note (the "**Assumption Note**") having a principal amount equal to the aggregate amount of the Intercompany Indebtedness, such that following such assumption there shall be no debts, liabilities or obligations owing by the Corporation to any Affiliate of the Vendor.

10. Assumption Note and Other Liabilities To Vendor. The Corporation shall issue common shares to the Vendor having an aggregate fair market value equal to the

sum of the principal amount of the Assumption Note and the aggregate amount of any and all other debts, liabilities and obligations owing by the Corporation to the Vendor, in full and final payment and satisfaction of the amounts owing by the Corporation to the Vendor under the Assumption Note and under such other debts, liabilities and obligations, such that following such issuance no amount shall be owing by the Corporation to the Vendor.

11. Intercompany Receivables. The Corporation shall forgive, settle and extinguish in full without repayment in respect thereof all amounts owing by the Vendor or any Affiliate thereof to the Corporation (including the amount owing by the Vendor to the Corporation under the 2017 Loan Agreement).

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. ET AL.

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

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

AFFIDAVIT OF ADRIAN ADAMS
SWORN ON NOVEMBER 29, 2018

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Lawyers for the Applicants

TAB 3

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

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

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

Applicants

APPROVAL AND VESTING ORDER

THIS MOTION, made by Aralez Pharmaceuticals Inc. ("**API**") and Aralez Pharmaceuticals Canada Inc. ("**Aralez Canada**" and, together with API, the "**Applicants**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), for an Order, among other things, (i) approving the sale transaction (the "**Transaction**") contemplated by a share purchase agreement (the "**Share Purchase Agreement**") among API, as vendor, Aralez Canada, as the corporation, and Nuvo Pharmaceuticals Inc., as the purchaser (the "**Purchaser**") dated September 18, 2018, (ii) vesting in the Purchaser all of API's right, title and interest in and to the Purchased Shares, and (iii) granting the other relief set out herein, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Motion Record of the Applicants filed in respect of this motion and the Report, and on hearing the submissions of counsel for the Applicants,

Richter Advisory Group Inc. ("**Richter**") in its capacity as Monitor of the Applicants (the "**Monitor**"), Deerfield, and the Purchaser, no one appearing for any other person on the service list, although properly served as appears from the affidavit of service filed:

SERVICE

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

DEFINED TERMS

2. **THIS COURT ORDERS** that capitalized terms used and not defined herein shall have the meanings given to them in the Share Purchase Agreement.

APPROVAL OF THE TRANSACTION

3. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved and the execution by the Applicants of the Share Purchase Agreement and the entering into of the Transaction is hereby authorized, ratified and approved, with such minor amendments to the Share Purchase Agreement as the Applicants and the Purchaser may agree to with the consent of the Monitor. The Applicants are hereby authorized and directed to perform their obligations under the Share Purchase Agreement and any ancillary documents related thereto and to take all such additional steps and actions and to execute such additional documents as may be required by the Share Purchase Agreement or are necessary or desirable for completion of the Transaction and for the conveyance of the Purchased Shares to the Purchaser.

VESTING OF THE PURCHASED SHARES

4. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Monitor's certificate to the Purchaser substantially in the form attached as Schedule A

(a)

hereto (the "**Monitor's Certificate**"), all of API's right, title and interest in and to the Purchased Shares shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Initial Order dated August 10, 2018 (as amended and restated, the "**Initial Order**"); (ii) any encumbrances or charges created by the Order (Re Bidding Procedures Approval) dated October 10, 2018; (iii) any encumbrances or charges created by the Order (Re KEIP Approval and Related Charge) dated November 28, 2018; and (iv) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system (all of which are collectively referred to as the "**Encumbrances**") and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Shares are hereby expunged and discharged as against the Purchased Shares.

5. **THIS COURT ORDERS** that for purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Shares shall stand in the place and stead of the Purchased Shares, and that from and after the delivery of the Monitor's Certificate all Claims and Encumbrances (including those created by the Initial Order) shall attach to the net proceeds from the sale of the Purchased Shares with the same priority as they had with respect to the Purchased Shares immediately prior to the sale, as if the Purchased Shares had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

6. **THIS COURT ORDERS AND DIRECTS** the Monitor to file with the Court a copy of the Monitor's Certificate, forthwith after delivery thereof.

(a)

7. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Monitor and Applicants are authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Applicants' records pertaining to Aralez Canada's past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Applicants.

8. **THIS COURT ORDERS** that, notwithstanding:

(a) the pendency of these proceedings;

(b) any assignment in bankruptcy or any application for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (the "**BIA**") and any order issued pursuant to any such application;

(c) any application for a receivership order; or

(d) any provisions of any federal or provincial legislation,

the vesting of the Purchased Shares in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Applicants and shall not be void or voidable by creditors of the Applicants, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

APPROVAL OF THE PRE-CLOSING REORGANIZATION

9. **THIS COURT ORDERS AND DECLARES** that the Pre-Closing Reorganization is hereby approved and the Applicants are authorized and empowered to take the necessary or desirable steps, transactions, set-offs, distributions, repayments, transfers and other actions to consummate the Pre-Closing Reorganization as set out in Schedule "B" to this Order (collectively, the "**Pre-Closing Reorganization Steps**").

10. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered, but not directed, without further notice to or action, order, or approval of this Court or any other person, to issue, execute, deliver, file, and record any document, and to take any action necessary or appropriate to consummate the Pre-Closing Reorganization and Pre-Closing Reorganization Steps and all transactions and agreements related thereto in accordance with their terms, without the need for any further notice to, or action, order or approval of this Court, or other act or action under applicable laws. This Order shall constitute all approvals and consents required, if any, by the laws, rules and regulations of all provinces and any other governmental authority with respect to the implementation or consummation of the Pre-Closing Reorganization and the Pre-Closing Reorganization Steps.

GENERAL

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

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

(a)

give effect to this Order or to assist the Monitor and its agents in carrying out the terms of this Order.

_____

SCHEDULE A
FORM OF MONITOR'S CERTIFICATE

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

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

Applicants

MONITOR'S CERTIFICATE

RECITALS

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

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

C. Pursuant to the Approval and Vesting Order of the Court granted ●, 2018 (the "**Approval and Vesting Order**"), the Court approved the share purchase agreement dated ● 2018 (the "**Share Purchase Agreement**") among Aralez Pharmaceuticals Inc. ("**API**"), as vendor, Aralez Pharmaceuticals Canada Inc. ("**Aralez Canada**"), as the corporation, and Nuvo Pharmaceuticals Inc., as the purchaser (the "**Purchaser**") providing for, among other things, the sale of all the shares in the capital of Aralez

(b)

Canada to the Purchaser (the "**Purchased Shares**"), which vesting is to be effective upon the delivery by the Monitor to the Purchaser of this Monitor's Certificate.

D. Unless otherwise indicated or defined herein, capitalized terms used in this Monitor's Certificate shall have the meanings given to them in the Approval and Vesting Order.

THE MONITOR CONFIRMS the following:

1. The Monitor has received written confirmation, in form and substance satisfactory to the Monitor, from the Purchaser and API that:

(a) all conditions to Closing set forth in the Share Purchase Agreement have been satisfied or waived;

(b) the Purchaser has paid the Purchase Price;

(c) the Purchase Price has been delivered in accordance with the Share Purchase Agreement; and

(d) the Transaction has been completed to the satisfaction of the Purchaser and API, respectively.

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

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

Per: _____

Name:

Title:

SCHEDULE "B"
PRE-CLOSING REORGANIZATION STEPS

Section 6.4 of the Share Purchase Agreement

Pre-Closing Reorganization

(1) Evidence shall be provided by the Vendor to the Purchaser of (A) the termination of (i) the Management and Support Services Agreement, and (ii) the Non-Exclusive Distributor Agreement dated April 1, 2016 between Aralez Pharmaceuticals Trading DAC and the Corporation and, in each case, all parties thereto shall have executed a full and unconditional release of all rights and obligations thereunder and (B) the assignment of the Product Development and Profit Share Agreement to the Vendor, as contemplated by # 3 below.

(2) Tribute Pharmaceuticals International Inc. (Barbados) shall be dissolved, or the shares in its capital stock transferred, such that it shall no longer be a subsidiary of the Corporation.

(3) The U.S. rights of the Corporation to the Bezalip product shall be transferred by the Corporation to the Vendor by way of dividend-in-kind; provided that if the Vendor, directly or indirectly, assigns or otherwise transfers such rights to a third party, whether prior to or following Closing, the Vendor shall ensure that the Corporation does not have any further liability related thereto or under the Product Development and Profit Share Agreement whether (i) through the Claims Procedure Order and/or the CCAA Termination Order, (ii) a full and unconditional release in favour of the Corporation by the counterparty to the relevant contract(s) in respect of such U.S. rights and obligations, (iii) by the provision of an indemnity in favour of the Corporation by a credit worthy third party with respect thereto, or (iv) by such other commercially reasonable means (including disclaiming such relevant contract(s) if necessary), in each case, acceptable to the Purchaser, acting reasonably.

Steps 4-11 below (as amended, modified, or supplemented with the written consent of each of the Vendor and the Purchaser) shall be completed in the order set forth below and in a manner that does not give rise to a material Tax liability of the Corporation or a material reduction in the Tax attributes of the Corporation or any of its Assets.

(4) 2017 Loan Agreement. The loan agreement dated April 3, 2017 between the Corporation, as lender, and the Vendor, as borrower, (the "**2017 Loan Agreement**") in the principal amount of CDN$6,015,200 shall be amended to reflect the additional principal amount of approximately CDN$8,000,000 owing by the Vendor to the Corporation thereunder, such that following such amendment the total amount owing by the Vendor to the Corporation thereunder shall be approximately CDN$14,015,200.

(5) 2016 Loan Facility Agreement. The loan facility agreement dated March 29, 2016, among Aralez Luxembourg Finance, as lender, and Aralez Pharmaceuticals Trading DAC, Tribute Pharmaceuticals Canada Inc., Aralez Pharmaceuticals Inc. and Aralez Pharmaceuticals Management Inc., as borrowers, as amended by an amendment to the loan facility agreement effective as of March 29, 2016 (the "**2016 Loan Facility Agreement**"), under which there is and shall be no amount owing by any of the borrowers, shall be amended to (i) remove the Corporation as a party thereto and (ii) fully, finally, unconditionally and irrevocably release the Corporation and all of its Assets from any and all liabilities and obligations thereunder, such that following such amendment there shall be no debts, liabilities or obligations owing by the Corporation to any Person thereunder.

(6) Deerfield Guarantee. The Corporation shall be fully, finally, unconditionally and irrevocably released of any and all of the liabilities and obligations of the Corporation to Deerfield under the facility agreement dated as of June 8, 2015, as amended and restated on October 29, 2015 and as further amended and restated on December 7, 2015, under which the Corporation has and shall have liabilities and obligations only as guarantor and not as borrower, and which guarantee of the Corporation has not been and shall not have been called upon, such that following such release there shall be no debts, liabilities or obligations owing by the Corporation to any Person thereunder.

(7) DIP Indebtedness. The Vendor shall assume any and all of the debts, liabilities and obligations of the Corporation to Deerfield Management Company, LP or any Affiliate thereof (collectively, "**Deerfield**") under the DIP Agreement or any of the Definitive Documents (as defined in the Initial Order) (collectively, the "**DIP Indebtedness**") in consideration for the issuance of a demand promissory note (the "**DIP Note**") having a principal amount equal to the aggregate amount of the DIP Indebtedness, such that following such assumption there shall be no debts, liabilities or obligations owing by the Corporation to any Person under the DIP Agreement or any of the Definitive Documents.

(8) DIP Note. The Corporation shall issue common shares to the Vendor having an aggregate fair market value equal to the principal amount of the DIP Note in full and final payment and satisfaction of the amount owing by the Corporation to the Vendor under the DIP Note, such that following such issuance no amount shall be owing by the Corporation to the Vendor under the DIP Note.

(9) Intercompany Indebtedness. The Vendor shall assume any and all of the debts, liabilities and obligations owing by the Corporation to any Affiliate of the Vendor (including the amount owing by the Corporation to Aralez Pharmaceuticals Trading DAC ("**Trading DAC**") pursuant to a promissory note in the principal amount of USD$2,260,000 effective as of August 8, 2018 issued by the Corporation for and in favour of Trading DAC) (collectively, the "**Intercompany Indebtedness**") in consideration for the issuance by the Corporation to the Vendor of a demand promissory note (the "**Assumption Note**") having a principal amount equal to the aggregate amount of the Intercompany Indebtedness, such that following such assumption there shall be no debts, liabilities or obligations owing by the Corporation to any Affiliate of the Vendor.

(10) Assumption Note and Other Liabilities To Vendor. The Corporation shall issue common shares to the Vendor having an aggregate fair market value equal to the sum of the principal amount of the Assumption Note and the aggregate amount of any and all other debts, liabilities and obligations owing by the Corporation to the Vendor, in full and final payment and satisfaction of the amounts owing by the Corporation to the Vendor under the Assumption Note and under such other debts, liabilities and obligations, such that following such issuance no amount shall be owing by the Corporation to the Vendor.

(11) Intercompany Receivables. The Corporation shall forgive, settle and extinguish in full without repayment in respect thereof all amounts owing by the Vendor or any Affiliate thereof to the Corporation (including the amount owing by the Vendor to the Corporation under the 2017 Loan Agreement).

(e)

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

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

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

APPROVAL AND VESTING ORDER

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TAB 4

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

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

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

Applicants

ARALEZ CANADA CCAA TERMINATION ORDER

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

ON READING the Motion Record of the Applicants filed in respect of this motion and the Fifth Report of the Monitor, and on hearing the submissions of counsel for the Applicants, the Monitor, Deerfield, and the Purchaser, no one appearing for any

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

SERVICE

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

DEFINED TERMS

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

TERMINATION OF ARALEZ CANADA CCAA PROCEEDINGS AND RELATED PROVISIONS

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

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

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

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

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

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

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

8. **THIS COURT ORDERS** that at the Aralez Canada CCAA Termination Time, in accordance with the releases delivered pursuant to the Share Purchase Agreement, (i) any and all debts, liabilities and obligations of Aralez Canada to API or any Affiliate

thereof shall be fully, finally, irrevocably, unconditionally, automatically and forever terminated, waived, discharged, extinguished, cancelled, barred and released against Aralez Canada and its Property, and (ii) any and all debts, liabilities and obligations of API or any Affiliate thereof to Aralez Canada shall be fully, finally, irrevocably, unconditionally, automatically and forever terminated, waived, discharged, extinguished, cancelled, barred and released against API and its Property, and any Affiliate thereof and any of such Affiliate's Property.

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

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

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

(b) the commencement or existence of these proceedings, or any other insolvency, restructuring, administration, bankruptcy or similar proceeding involving the Applicants or any Existing Affiliate (provided that any such

proceeding in respect of the Applicants was commenced prior to the Aralez Canada CCAA Termination Time) and, for greater certainty, including any deferral or interruption of payments and any incurrence or creation of charges arising from or relating to any such proceeding; or

(c) the entering into and implementation of the Share Purchase Agreement and the Transaction, including, without limitation, as a result of a change of control of Aralez Canada resulting from the completion of the Transaction.

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

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

CLAIMS BARRED

12. **THIS COURT ORDERS** that capitalized terms used in paragraph 12 of this Order and not defined herein shall have the meanings given to them in the Claims Order dated October 10, 2018 (the "**Claims Order**"). Effective upon the Aralez Canada CCAA Termination Time and without limiting the generality of paragraphs 19 and 20 of the Claims Order, where a Claim (including, for greater certainty, any Prefiling Claim, Restructuring Claim or D&O Claim) has not been (i) submitted pursuant to a Proof of Claim actually received by the Monitor on or before the Claims Bar Date or the Restructuring Claims Bar Date, as applicable, or (ii) determined to be a Claim against

Aralez Canada by Order of the Court or with the written consent of the Applicants, the Purchaser and the Monitor, then:

(a) all Persons holding such a Claim shall be and are hereby forever barred from making or enforcing such Claim against any of Aralez Canada, Aralez Canada's Business (as defined in the Initial Order) and Property, or any Director or Officer;

(b) no Person shall be entitled to receive any payment, distribution or other consideration in respect of such Claim from Aralez Canada or any other Person, whether prior to, on or after Closing; and

(c) such Claim shall be fully, finally, irrevocably and forever waived, discharged, extinguished, cancelled, barred and released against Aralez Canada, Aralez Canada's Business and Property, and all Directors and Officers.

APPROVAL OF ACTIVITIES

13. **THIS COURT ORDERS** that the ● Report[s] and the activities and conduct of the Monitor referred to therein be and are hereby ratified and approved.

DISCHARGE OF MONITOR AS AGAINST ARALEZ CANADA

14. **THIS COURT ORDERS AND DECLARES** that the Monitor has duly and properly satisfied, discharged and performed all of its obligations, liabilities, responsibilities and duties in respect of Aralez Canada in compliance and in accordance with the CCAA, the Initial Order and any other Orders of this Court made in the within proceedings.

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

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

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

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

GENERAL

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

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

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

or desirable to give effect to this Order or to assist the Monitor and its agents in carrying out the terms of this Order.

_____

SCHEDULE A
FORM OF MONITOR'S CERTIFICATE

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

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

Applicants

MONITOR'S CERTIFICATE

RECITALS

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

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

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

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

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

THE MONITOR CONFIRMS the following:

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

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

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

Per: _____

Name:

Title:

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

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

Applicants

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

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

ARALEZ CANADA CCAA TERMINATION ORDER

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Lawyers for the Applicants

TAB 5

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

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

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

Applicants

STAY EXTENSION ORDER

THIS MOTION, made by Aralez Pharmaceuticals Inc. and Aralez Pharmaceuticals Canada Inc. (together the "**Applicants**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for, among other things, an order approving an extension of the stay of proceedings to December 7, 2018 was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Adrian Adams sworn November 29, 2018 and the Exhibits attached thereto and the report (the "**Monitor's Report**") dated ●, 2018 by Richter Advisory Group Inc., in its capacity as Court-appointed Monitor (the "**Monitor**"), and on hearing the submissions of counsel for the Applicants, the Monitor, Nuvo Pharmaceuticals Inc. and Deerfield Management Inc., no one appearing for any other person on the service list, although duly served as appears from the affidavits of service of ● sworn ●, 2018 and filed:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

EXTENSION OF STAY PERIOD

2. **THIS COURT ORDERS** that the Stay Period, as such term is defined in the Amended and Restated Initial Order of the Honourable Justice Dunphy dated August 10, 2018 be and is hereby extended until February 1, 2019.

GENERAL

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

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.

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

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at Toronto

STAY EXTENSION ORDER

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Lawyers for the Applicants

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.

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

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

MOTION RECORD OF THE APPLICANTS
(Returnable December 7, 2018)
(Re: Approval and Vesting Order, Termination Order etc.)

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